

HOMES FOR ALL FLAGSTAFF RESIDENTS



# 10-YEAR HOUSING PLAN

CREATE. CONNECT. PRESERVE. PROTECT.



City of Flagstaff | Housing Section | [flagstaff.az.gov](http://flagstaff.az.gov)

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## Note from the Housing Commission

To the Flagstaff Community,

Those of us who choose to call Flagstaff home are part of a unique shared story. We are a city of innovation, a cultural hub for northern Arizona, a beautiful blend of distinctive neighborhoods, and a shared culture of “unity in community.” As we grow, we strive to remain dedicated to our City’s mission to “protect and enhance the quality of life for all.” In that lofty ideal, we recognize that our growth presents several challenges to our community. Whether new to our community or a generational resident, we must face these challenges united.

Our affordable housing challenges are not unique to Flagstaff. Homelessness, the number of cost-burdened households, and a shortage of affordable housing units increases every year, creating more need. Arizona is fourth in the nation for shortage of affordable housing, according to a recent report from the National Low Income Housing Coalition. Our unique mountain town is not unique in facing these challenges. The uniqueness we enjoy in the character and culture of our mountain town does not extend to facing these same challenges.

As a community, Flagstaff expressed its commitment to ensuring all members of our community have access to safe, decent, and affordable housing by declaring a Housing Emergency. This declaration inspired a dedication to setting ambitious, equitable, and community-driven housing goals set forth in this 10-year plan.

We welcome you, as our neighbors, allies, and community champions, to join us in facing the challenge of housing together, to help us address the needs of all members of our community, and to live out our shared community mission of protecting and enhancing the quality of life for all who choose to call Flagstaff home.

Sincerely,

Nicole Ellman, Former Housing Commission  
Chair



Khara House, Current Housing Commission Chair



In Support,

Paul Deasy, City of Flagstaff Mayor



Becky Daggett, City of Flagstaff Vice Mayor and  
Housing Commission Council Liaison



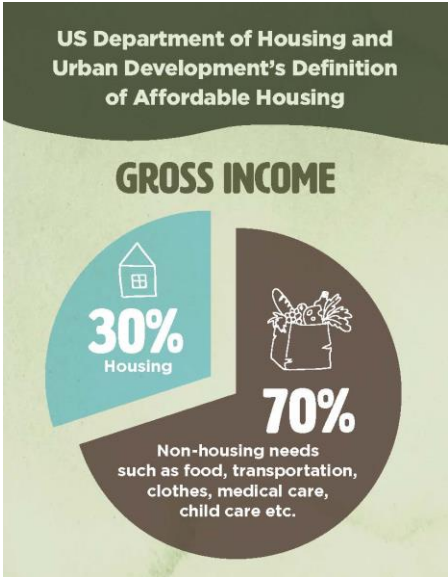
# HOUSING IS A COLLECTIVE BENEFIT

There is a strong and growing movement among Flagstaff community members, housing advocates, and City Council to ensure all Flagstaff residents have access to affordable housing. On December 1, 2020, City Council declared a Housing Emergency in Flagstaff, committing to prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members.

This Plan will begin with the basics, defining what affordable housing means and how affordable, accessible, and decent housing is of critical importance to our community's overall health and viability.

The United States Department of Housing and Urban Development (HUD) defines affordable housing as spending no more than 30% of monthly gross income on housing costs. Households that spend more than 30% on rent or mortgage costs are considered "housing cost burdened"; households spending more than 50% are "severely housing cost burdened." Throughout this Plan, "affordable housing" will be defined as households paying 30% or less of monthly gross income towards the home in which they reside, using HUD's definition.

In an expensive housing market like Flagstaff's, some form of subsidy is necessary for housing to be affordable for many lower income households. Housing subsidies come in many forms. Housing subsidy types include rental assistance, eviction prevention, and down payment assistance. Other forms include non-profit affordable housing, public housing, voucher programs, and some forms of co-operative and private sector housing. Throughout this Plan, the term "housing subsidy" is defined as any form of financial assistance aimed towards decreasing housing costs.



The stories we hear from residents and local reports verify that a lack of affordable housing is not just an individual problem, but rather a community problem that has collective consequences that negatively impact Flagstaff. This Plan demonstrates how the consequences of failing to create, preserve, and provide access to affordable housing in Flagstaff are linked to lasting negative effects on our neighborhoods,<sup>1,2,3</sup> health, children,<sup>4,5</sup> environment,<sup>6</sup> and jobs.<sup>7</sup> This Plan provides a path forward for the next ten years and solutions to reducing Flagstaff's Housing Emergency.

<sup>1</sup> [La Plaza Vieja Neighborhood Specific Plan](#), City of Flagstaff, November 2015

<sup>2</sup> [Southside Community Specific Plan](#), City of Flagstaff, September 2020

<sup>3</sup> [Flagstaff's Lived Black Experience Strategic Plan](#), "Flagstaff's Lived Black Experience: A Forgotten People Forging a Path Forward," The Lived Black Experience Community Coalition, 2020

<sup>4</sup> [Community Needs Assessment](#), Coconino County Arizona, January 2021

<sup>5</sup> [City of Flagstaff Five-Year Consolidated Plan](#), May 2021

<sup>6</sup> [The Flagstaff Carbon Neutrality Plan](#), City of Flagstaff, June 2021

<sup>7</sup> [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

## Addressing Flagstaff's Housing Emergency

Although the City has several Housing planning documents, when declaring the Housing Emergency, Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the city's immediate and long-term needs and strategies for improving housing affordability.

The current Housing Emergency in Flagstaff has deep roots, with no single root cause. There is no single solution to addressing the Housing Emergency, but rather multiple strategies that will work together in providing residents with additional housing stability. Flagstaff residents' responses to the Housing survey illustrated that the Housing Emergency is causing residents to leave our community. A little over 58% of Flagstaff residents stated that they were either "nearly certain" to "somewhat likely" going to relocate due to housing costs. The question we must ask ourselves is what would Flagstaff become if 58% of our population moved?

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**This Plan intends to help individuals and families achieve housing affordability for those who want to continue to call Flagstaff their home.**

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This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially increase housing subsidies for our neighbors that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff residents at all income levels.

The City of Flagstaff's Carbon Neutrality Plan notes that Flagstaff faces a multitude of community challenges and competing priorities which must be met with open dialogue, innovative thinking, and good faith that we can find creative solutions that move us forward towards a healthier, more inclusive community. Partnerships across the City organization and the community at large are vital for addressing the Housing Emergency and creating a healthier, more resilient Flagstaff.

# Flagstaff's Vision

Flagstaff's 10-Year Housing Plan’s vision is to create a vibrant and more livable community through increased housing options for residents at all income levels and family sizes.

This document is a framework for action: it outlines a single overarching goal with thirteen (13) robust policy initiatives and fifty-eight (58) comprehensive strategies. The policy initiatives and strategies provide a foundational framework for establishing housing programs, prioritizing staff work, and allocating necessary funding for implementation.

- ▲ Create
- ▲ Connect
- ▲ Preserve
- ▲ Protect



## OVERARCHING GOAL

**Reduce the current affordable housing need in our community by half over the next ten years.**

- ▲ Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- ▲ Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce, and affordable housing occupied by local residents.

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

## POLICY INITIATIVES

### **Create housing options for households at all income levels and family sizes occupied by local residents.**

**Create 1:** Incentivize the creation of affordable units through various programs and mechanisms.

**Create 2:** Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.

**Create 3:** Create a dedicated funding source for affordable housing in Flagstaff.

**Create 4:** Amend the Flagstaff Zoning Code to facilitate the development of all housing types.

**Create 5:** Explore regulatory efficiency and cost-saving practices.

### **Connect people to equitable housing solutions.**

**Connect 1:** Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.

**Connect 2:** Implement a framework for centering equity in proposed and existing housing practices, policies, and programs.

**Connect 3:** Integrate healthcare into housing programs, and housing into healthcare programs, as appropriate.

### **Preserve affordable housing.**

**Preserve 1:** Encourage the adaptive reuse of buildings.

**Preserve 2:** Expand efforts to preserve existing housing stock.

### **Protect people from housing discrimination and remove housing barriers.**

**Protect 1:** City Council will continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing.

**Protect 2:** Ensure affordable housing is a part of every Flagstaff neighborhood and work to address disparate impact as part of any development or redevelopment.

**Protect 3:** Continue Flagstaff's commitments to further federal and Arizona Fair Housing laws in all housing-related services and programs, value the efforts of those who seek to reduce barriers to equitable housing opportunities, and provide Fair Housing education and resources to the community.

Refer to the Detailed List of Policy Initiatives and Strategies on page 52.



# FORGING AHEAD FOR HOUSING ADVANCEMENT

## Action Needed

### FLAGSTAFF CITY COUNCIL & HOUSING COMMISSION

The success of this Plan is contingent on the Flagstaff City Council continuing its leadership and support for advancing housing affordability. Implementation of the Plan relies on funding, the creation and preservation of affordable housing, increasing housing subsidies, and continued public support for affordable housing.

The Flagstaff City Council will have oversight responsibility for this Plan and will make policy decisions and budgetary appropriations. The Housing Commission will provide recommendations to City Council on the implementation of this Plan. Council and the community will receive an annual update on the progress of Plan implementation.

*The Flagstaff City Council will:*

- ▲ Prioritize policy initiatives and strategies for the upcoming City Council term that will support Plan implementation.
- ▲ Identify City Council budget priorities and funding to support Plan implementation.
- ▲ Identify state and federal legislative priorities that support the policy initiatives and strategies of the Plan and enable implementation of Plan actions.
- ▲ Provide leadership in community conversations around housing and the competing priorities.

*Actions specific to the Flagstaff Housing Commission: These actions are detailed in Resolution 2019-25, which created the Housing Commission.*

- ▲ Examine funding sources available for housing in Flagstaff, make recommendations to the City Council on potential funding sources, including bond measures, and provide oversight of any funds approved by the electorate for housing purposes.
- ▲ Make recommendations on the creation and implementation of housing and housing policies and programs for the benefit of Flagstaff and its citizens.
- ▲ Make recommendations regarding the prioritization of the community's housing needs.
- ▲ Make recommendations regarding how affordable market-rate housing can be responsibly stimulated through changes in the city code as well as other potential solutions.
- ▲ Examine and make recommendations regarding increasing the affordability of housing in Flagstaff.
- ▲ Explore alternative models of housing and make recommendations to Council.
- ▲ Advise and assist the City Council on ways to educate the community on housing, including the role housing plays as infrastructure in Flagstaff.
- ▲ Upon request, serve as a resource on the implementation of housing policy and programs.



## FLAGSTAFF CITY LEADERSHIP

To address the Housing Emergency, it is critical that every part of the municipal organization is involved in the implementation of this Plan. From the City Manager's Office and the Leadership Team to individual Sections, Team Flagstaff must proactively consider housing affordability when conducting City operations. Refer to the Detailed List of Policy Initiatives and Strategies on page 52 for division involvement for each strategy.

The City Manager's Office will actively support the Council's commitment to advance housing affordability by requiring the involvement of all appropriate City divisions in the implementation of this Plan. Opportunities to incorporate affordable housing policy initiatives and strategies into internal decision-making processes include:

- ▲ The budget process
- ▲ Procurement decisions
- ▲ Division strategic planning
- ▲ City operations
- ▲ State and federal policy priorities
- ▲ Community engagement and education

## COCONINO COUNTY LEADERSHIP

While this is a policy Plan for the City of Flagstaff, data and Plan reporting, along with strategy implementation and program advancement, will be shared with Coconino County. In addition, where appropriate, the City of Flagstaff will partner with Coconino County during Plan implementation.

## Accountability

The City of Flagstaff will ensure accountability through consistent and transparent annual reporting to the community and the Housing Commission, which will monitor and report on the Plan's implementation progress.

## LEGAL BARRIERS TO ADOPTING AFFORDABLE HOUSING POLICIES

Several widely used policies can increase access to and the affordability of housing. However, many of these tools are preempted or limited by Arizona law. These tools include inclusionary zoning, rent control/rent stabilization, short-term rental regulation, and financing structures that can increase the supply of affordable housing, provide stabilization for the market, and add additional units.<sup>8</sup> Refer to the Arizona State University, Morrison Institute for Public Policy, brief titled "State-Level Legal Barriers to

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<sup>8</sup> [State-Level Legal Barriers to Adopting Affordable Housing Policies in Arizona](#), Arizona State University, Morrison Institute for Public Policy, November 2021

Adopting Affordable Housing Policies in Arizona.” The referenced document will give an overview of these policies, discuss their legality in Arizona, summarize the pros and cons, and offer potential solutions to existing legal barriers.

**A LIVING DOCUMENT**

This Plan is a living document that will evolve with market conditions, community housing needs, and budgetary status. This section presents a structure for ongoing monitoring, evaluation, and reporting on the Plan’s goal and progress. Investing in data collection and consistent reporting increases transparency and is a key aspect of implementation.

**PLAN FLEXIBILITY**

The 10-Year Housing Plan must be a living document—grounded with a clear scope of work, but flexible in its approach. Many strategies are conceptual and will require future work that includes research and data, staff time, and external collaboration. Implementation of strategies may also require public outreach and Flagstaff City Council’s consideration.

To reflect changing market conditions and an expanding knowledge base, the Plan is a framework for action, which provides conceptual strategies the City will undertake to address the community’s Housing Emergency. While many strategies will be accomplished promptly, additional strategies may be incorporated during the life of this Plan.

**EVALUATION & REPORTING**

Regular reporting will ensure transparency and continued progress. Updates will be provided by City staff at Housing Commission meetings. City staff will measure progress on key performance indicators and will report to the Flagstaff City Council, Housing Commission, Planning and Zoning Commission, and community annually regarding policy initiatives and strategy development. Refer to the Detailed List of Policy Initiatives and Strategies on page 52 for the anticipated term lengths for each strategy. On an annual basis, City staff will provide a Plan update that includes:

- ▲ Progress towards achieving the Plan's goal and implementation status of policy initiatives and strategies.
- ▲ Relevant developments in market conditions, resources, and community efforts.

**FUNDING**

Funding is imperative for the implementation of the 10-Year Housing Plan's goal, policy initiatives, and strategies. Funding sources include the City’s budget, agency grants, private, public, and nonprofit community partners, and new sources, such as general obligation bonds.

## LOCAL HOUSING DATA & NEEDS ASSESSMENT

Flagstaff's Housing Emergency is a result of multiple factors and has been a documented need for 100 years.<sup>9</sup> To effectively address the Housing Emergency in Flagstaff, we must first understand local housing data. In partnership with Housing Solutions of Northern Arizona, the City of Flagstaff's Housing Section co-created an infographic titled "Affordable Housing Needs Assessment for the Flagstaff Community." Infographics from the needs assessment are shared throughout the Plan. Refer to the Survey and Methodology Document for the Affordable Housing Needs Assessment.

### Flagstaff's Area Median Income Levels

The Department of Housing and Urban Development (HUD) publishes Area Median Income (AMI) data for the Flagstaff Metropolitan Statistical Area on an annual basis. The calculation takes into consideration a family's income level based on their household size. The AMI is the midpoint of an area's income distribution, meaning that half of the households in an area earn more than the median and half earn less than the median. A household's income is calculated by its gross income, which is the total income received before taxes and other payroll deductions. For a three-person household (the average household size in Flagstaff), their 100% AMI is \$69,200 annual gross income.

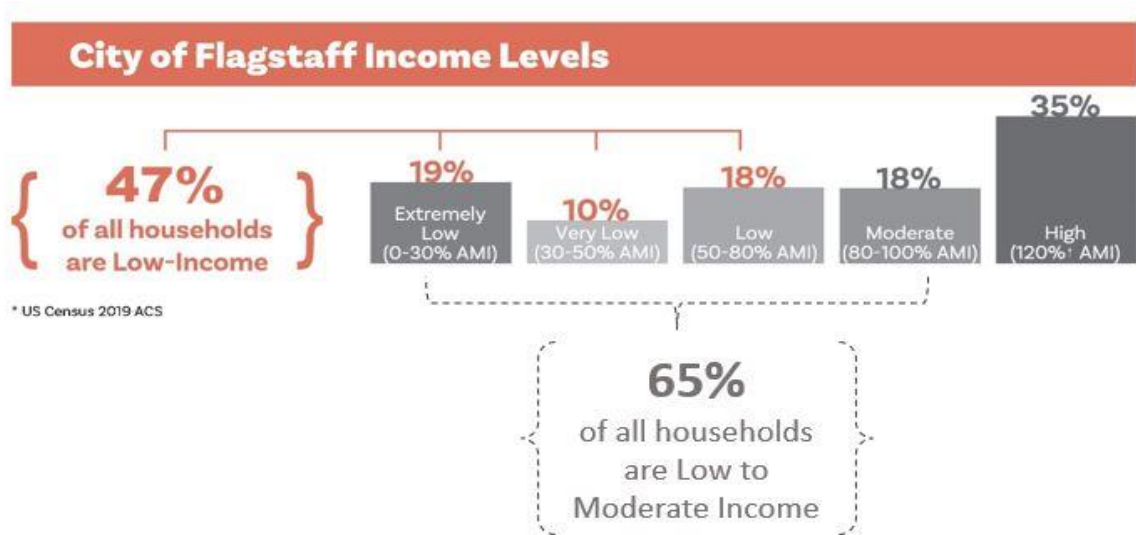
HUD Flagstaff Area Median Income (AMI) Limits   2021		
Income Category	AMI %	AMI Income Ranges*
Extremely Low	0 - 30%	\$0 - \$21,960
Very Low	30 - 50%	\$21,961 - \$34,600
Low	50 - 80%	\$34,601 - \$55,350
Low to Moderate	80 - 120%	\$55,351 - \$83,040
Moderate to High	120% >	\$83,041 >
* Income ranges based on three person household		

AMI limits are another key factor in understanding the funding availability for affordable housing programs because it determines eligibility for many housing subsidies. Federal, state, and local housing subsidy programs, such as the Community Development Block Grant (CDBG), Low-Income Housing Tax Credit (LIHTC), Public Housing, and Section 8 Housing Choice Vouchers, have different income eligibility requirements that restrict eligibility to 60% - 80% AMI for a household depending on the program. These programs are available citywide and have limited funding.

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<sup>9</sup> [History of Housing Racial Equity and Housing Insecurity in Six Arizona Counties](#), Arizona State University, Morrison Institute for Public Policy, November 2021

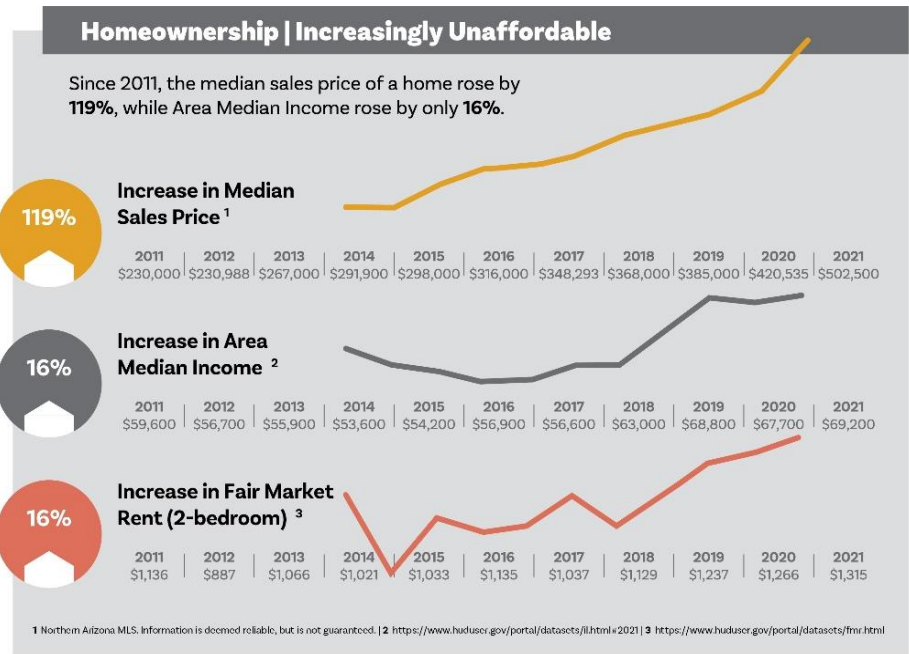
Nearly half (47%) of Flagstaff residents are low-income, earning no more than \$55,350 annually. In Flagstaff's current housing market, 65% of households that fall within or below the moderate-income level could benefit from some form of subsidy to achieve housing that is considered affordable.



Flagstaff Is Increasingly Unaffordable

Over the past half-century, Flagstaff's households have seen a dramatic shift in their budgets. Rents have risen, home prices have increased, and incomes have not kept pace. As a result, households are spending a growing portion of their income on housing. The costs to rent or own a home continue to rise and are outpacing local incomes.

Since 2011, the median sales price of a home rose by 119%, while the Area Median Income rose by only 16%. In Flagstaff's current housing market, the median sales price of a home is \$502,500, and the median annual gross income is \$69,200. Consequently, many local residents need some form of a housing subsidy to achieve affordable homeownership.



## Flagstaff's Housing Cost Burden

According to HUD, cost-burdened households pay more than 30% of their monthly income towards housing.

**Currently, 27% of homeowners and 57% of renters are housing cost burdened, meaning that 22,073 Flagstaff community members are living with a housing cost burden.**

Cost burden helps us understand how much strain housing costs can place on a household's overall financial position. The lower your income, the more likely you are to be cost burdened. Households that are housing cost burdened have little money to cover other basic necessities, such as food, childcare, transportation, clothing, and health care, leaving the households in a precarious financial situation and making it harder to achieve economic mobility and housing advancement.<sup>10</sup> Renters that are housing cost burdened are less likely to be able to save up for a down payment required for accomplishing homeownership.

Flagstaff is a community where 45% of all households are living in a housing cost burdened situation; the cost of living is 13% higher and housing is 29% higher than the national average. It is therefore imperative to create and preserve more housing options and to establish more funding for programs that help residents attain housing that is affordable.

### Housing Cost Burden Analysis

# 22,073

Flagstaff Community Members are housing cost burdened.\*



#### All Households

Total Households with Payments | 19,531  
Households Cost Burdened | 8,829

**45% Cost Burdened**



#### Homeowners

Total Households with mortgages | 7,542  
Cost Burdened Homeowners | 2,005

**27% Cost Burdened**



#### Renters

Total Renter Households | 11,989  
Cost Burdened Renters | 6,824

**57% Cost Burdened**

**\* Cost burdened households pay more than 30% of their monthly income towards housing.**

\* US Census 2019 ACS

### Cost of Living & Housing | National Comparison

#### Flagstaff Cost of Living

**13.1%  
HIGHER**

13.1% higher than the national average

#### Flagstaff Cost of Housing

**29%  
HIGHER**

29% higher than the national average

Data is from the Council for Community Economic Research 2020 Annual Average Data Report

<sup>10</sup> [Homeownership Is Affordable Housing](#), Housing Finance Policy Center, Urban Institute, Mike Loftin, May 2021

## RACIAL DISPARITIES AND HOUSING JUSTICE

The Fair Housing Act has historically protected people from adverse treatment in any housing transaction based upon seven protected classes: race, color, national origin, religion, sex, disability, and familial status. In June of 2020, the United States Supreme Court ruled in *Bostock v. Clayton County* that the statutory protection against sex discrimination in the employment context includes protection from discrimination on the basis of gender identity and sexual orientation. In January of 2021, President Biden issued an Executive Order applying the Court's reasoning to other federal statutes, including the Fair Housing Act.<sup>11</sup> The City of Flagstaff has consistently supported the provision of fair housing for all residents without limitation to those classes protected by the Fair Housing Act.<sup>12</sup>

While this Plan focuses on income levels and housing situations for Flagstaff residents, we also must consider racial and ethnic compositions when discussing housing stability. Decades of structural racism have created tremendous racial and ethnic disparities in housing, and that legacy continues to shape the present landscape. Racial disparities in housing manifest in several ways from affordability, quality, segregation, homelessness, and wealth building.<sup>13</sup>

Owning a home is a primary way to build wealth in America, and because of the legacy of racist housing policies, people of color have been denied wealth-building opportunities that were given to Whites. The racial homeownership gap is worse today than it was in 1960 when housing discrimination based on race was legal.<sup>14</sup> Black Americans have the lowest rate of homeownership in the US at a rate of 47%, compared to 76% for White Americans. The rate for Hispanic homeownership is 51.4%, and for Asian, Native Hawaiian, and Pacific Islanders, 61.4% (2020 US Census Data). In Flagstaff, White households have significantly higher access to homeownership than households of other races and ethnicities. In fact, 62% of White households are homeowners compared to 24% of Black and African American households and 32% of American Indian or Alaska Native.

The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. This data, known as the CHAS data (Comprehensive Housing Affordability Strategy), demonstrates the extent of housing problems and housing needs, particularly for low-income households. The CHAS data for the recently released 2014-2018 period shows there are disparities between race and ethnic groups when it comes to housing cost burden. The housing cost burden figures quoted in the above section of this document come from the 2020 American Community Survey (ACS), which shows that housing cost burden has increased since 2018. However, it is not possible to estimate racial and ethnic disparities from the publicly available ACS data, so this section relies on and quotes from the older CHAS data. The terms used in this section are consistent with HUD's racial and ethnicity terminology.

The nation's White alone (non-Hispanic) and Asian alone (non-Hispanic) households spent notably less of their incomes on rent and are therefore least likely to experience rent burden in comparison to other racial

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<sup>11</sup> [Executive Order on Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation](#), January 20, 2021, The White House

<sup>12</sup> [City of Flagstaff, Fair Housing webpage](#)

<sup>13</sup> [Racial Inequities in Housing](#), Opportunity Starts at Home

<sup>14</sup> Urban Institute, Housing Finance Policy Center, [Reducing the Racial Homeownership Gap](#)

and ethnic groups.<sup>15</sup> In Flagstaff, Asian alone (non-Hispanic) households are most likely to experience housing cost burden in comparison to other racial and ethnic groups, with the highest racial/ethnic disparity of households living in housing cost burden in Flagstaff. This contrasts with national trends where Asian alone (non-Hispanic) households are the least likely to be housing cost burdened. White alone (non-Hispanic) households are least likely to experience housing cost burden, and this is consistent with national trends.

Underlying this disparity are differences in homeownership rates between racial and ethnic groups. Homeownership rates are important because renter-occupied households are far more likely than owner-occupied households to be housing cost burdened. White alone (non-Hispanic) households are the most likely to own their home, and thus are the least likely to be housing cost burdened.

#### Flagstaff's Percentage of Households Living Housing Cost Burdened by Racial and Ethnic Composition

Race/Ethnicity	Percent of All Households Cost Burdened	Percent of Renter Households	Percent of Homeowner Households
White alone, non-Hispanic	30.7%	38.1%	61.9%
American Indian or Alaska Native alone, non-Hispanic	38.4%	67.9%	32.1%
Hispanic, any race	34.2%	50.9%	49.1%
other (including multiple races, non-Hispanic)	40.8%	51.1%	48.9%
Black or African-American alone, non-Hispanic	39.5%	75.8%	24.2%
Asian alone, non-Hispanic	55.8%	60.5%	39.5%

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<sup>15</sup> Joint Center for Housing Studies of Harvard University, [Renter Cost Burdens by Race and Ethnicity](#)



When considering the totality of past injustices, it is unfortunately not surprising that people of color are more likely to experience housing instability and homelessness. Applying Homeless Management Information System (HMIS) data,<sup>16</sup> the Flagstaff area shows there are disparities between race and ethnic groups when it comes to risk of homelessness. Residents of Flagstaff who are American Indian or Alaska Native alone (non-Hispanic) disproportionately experience homelessness, making up 10% of Flagstaff's population, but 38% of its homeless population. Residents who are Black or African American (non-Hispanic) or multiracial also disproportionately experience homelessness; however, Flagstaff's population for the above noted racial and ethnic groups is lower than White alone or American Indian or Alaska Native.

Flagstaff's Percentage of Individuals Experiencing Homelessness by Racial and Ethnic Composition

Race/Ethnicity	Percent of Population	Percent of HMIS Population
White alone, non-Hispanic	59.9%	38.6%
American Indian or Alaska Native alone, non-Hispanic	10.4%	38.4%
Hispanic, any race	19.7%	12.7%
other (including multiple races, non-Hispanic)	5.3%	6.6%
Black or African-American alone, non-Hispanic	1.9%	3.1%
Asian alone, non-Hispanic	2.5%	0.4%
Pacific Islander alone, non-Hispanic	0.3%	0.2%

The City of Flagstaff is dedicated to continuing to examine how different racial and ethnic groups will likely be affected by proposed funding decisions, processes, programs, and policies. The City of Flagstaff is committed to examining solutions that will eradicate the racial and ethnic disparities in housing outcomes and homelessness.

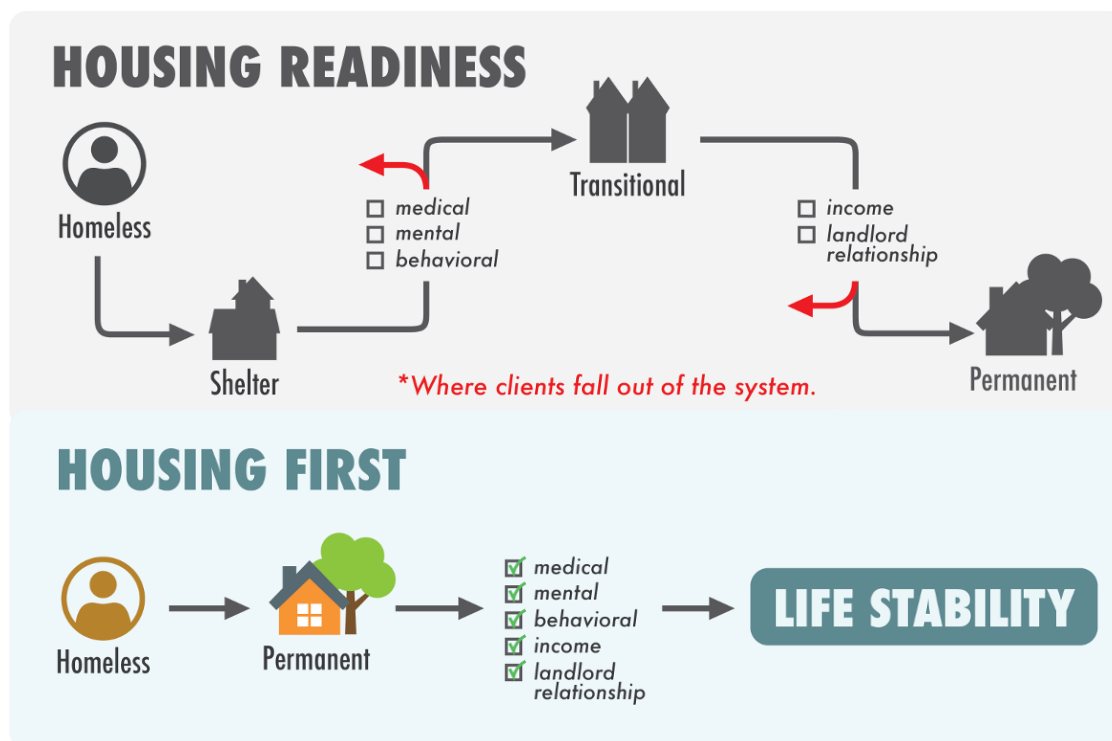
<sup>16</sup>HMIS is a local data information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of becoming homeless.

## Important Topics in Housing

### WHAT IS HOUSING FIRST?

Housing First is an approach that prioritizes providing permanent housing to people experiencing homelessness and individuals with any degree of service need, thus ending their housing instability, and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything critical, such as getting a job, budgeting properly, or attending to substance use issues. Additionally, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life.

The flexible and responsive nature of a Housing First approach allows it to be tailored to help anyone. As such, a Housing First approach can be applied to help end homelessness for a household who became homeless due to a temporary personal or financial crisis and has limited-service needs, only needing help accessing and securing permanent housing.<sup>17</sup>



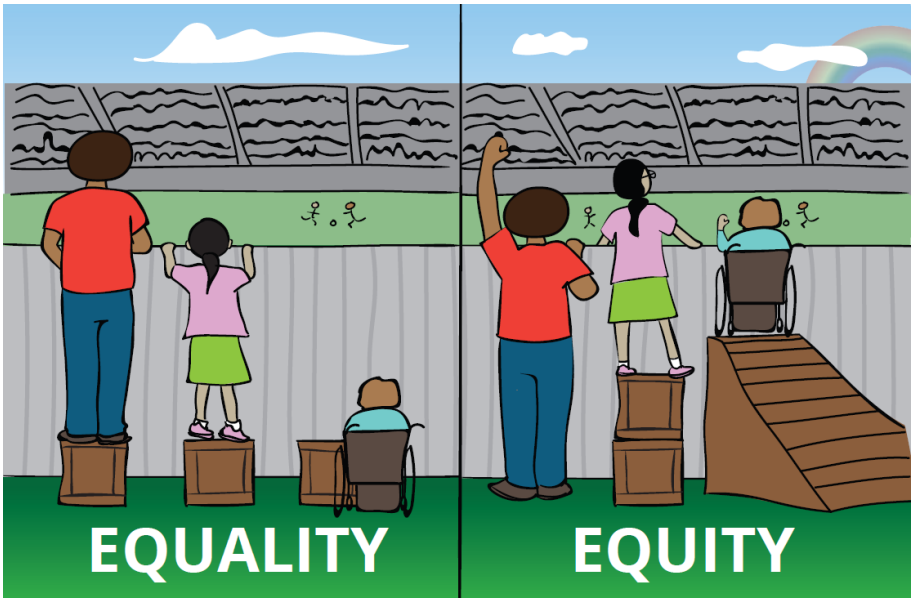
*Housing First, Marin County*

<sup>17</sup> National Alliance to End Homelessness, "Housing First," April 2016 publication, <https://endhomelessness.org/resource/housing-first/>.

HOUSING EQUITY

Housing equity is central to this Plan. Equity is different from the concept of equality. Equality is defined as treating everyone the same and giving everyone access to the same opportunities, under the assumption that everyone will benefit from the same support and services. Some groups are situated differently because of historical and current discrimination against them. Equity addresses those differences. Equality is about sameness, focusing on making sure everyone gets the same thing, while equity is about fairness, ensuring that each person gets what the person or population needs. Policies that aim to achieve equity may result in an unequal distribution of resources but will lead to more equitable outcomes for everyone.<sup>18</sup>

*Source: Equity Tool*



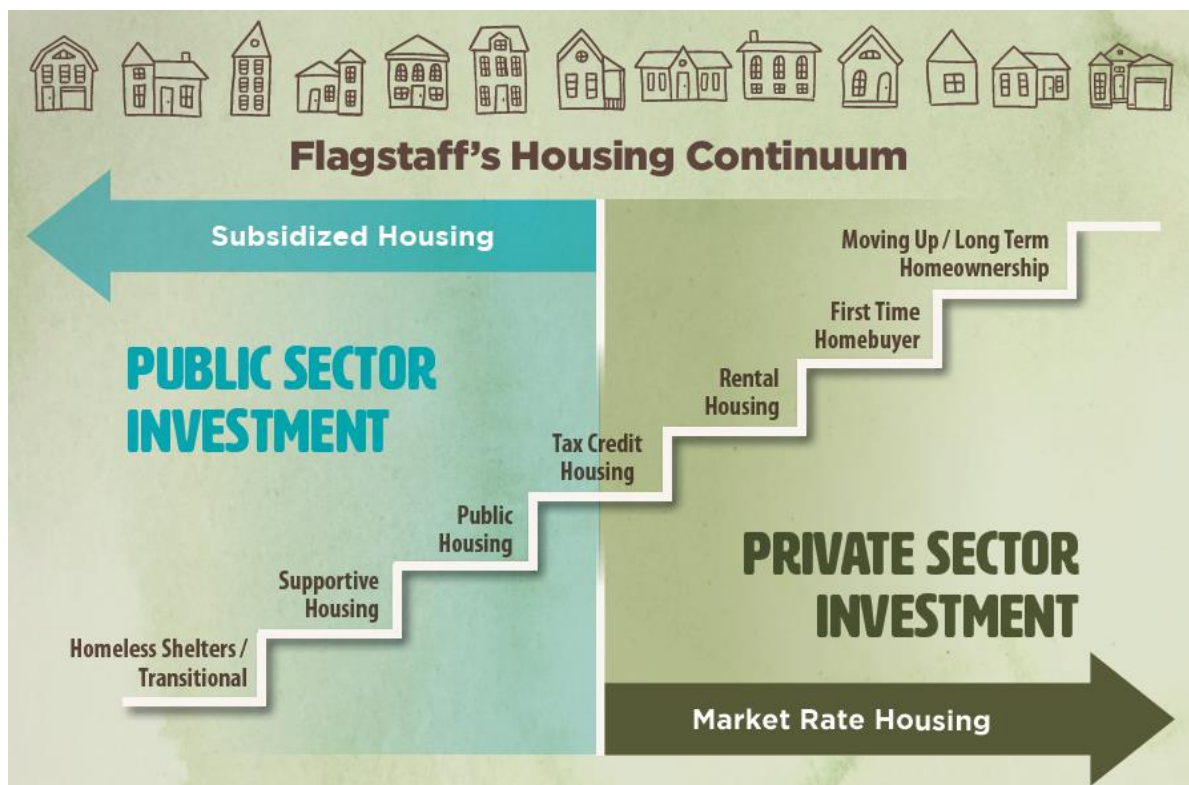
<sup>18</sup> [Homeless System Response: Part1: Equity as the Foundation](#), Department of Housing and Urban Development

## FLAGSTAFF'S HOUSING CONTINUUM

The housing continuum is a strategy that represents a variety of housing types available for households at all income levels. It indicates that households with different levels of income require different levels of subsidy to move up or advance through the housing continuum. For this Plan, we will use the housing continuum as a method to communicate possible housing solutions for households at all income levels.

For example, an extremely low-income, three-person household earning less than \$21,960 (30% AMI) annually will require a greater level of housing subsidy (such as move-in assistance and public housing). This household would fall lower on the housing continuum compared to a low-income, three-person household earning less than \$55,350 (80% AMI), who may need a smaller housing subsidy (such as assistance paying for their rental deposit).

Addressing the Housing Emergency will require adequate funding for programs such as eviction prevention, down payment assistance, and employer-assisted housing programs. It will also require the creation and preservation of affordable rental and ownership opportunities. These bold steps must be accomplished in partnership across the housing sector, including all levels of government, non-profit housing providers, private industry, and housing advocacy from our community at large. Housing types such as accessory dwelling units, tiny homes, or co-housing communities are not specifically shown on the basic housing continuum, however, they are a vital part of potential housing options and will be taken into consideration during the Plan's implementation.



FORMS OF HOUSING

Since the middle of the 20<sup>th</sup> century, housing production has focused mostly on the low- and higher-density extremes—detached single-family homes and mid- to high-rise apartment buildings. For Flagstaff to obtain affordability along the housing continuum it will likely need to broaden housing development to include “Missing Middle Housing,” a term that describes a range of multi-unit or clustered housing types that are more compatible in scale with single-family homes and neighborhoods. Missing middle building types include duplexes, triplexes, fourplexes, townhomes, live/work, cohousing, accessory dwelling units, and courtyard buildings. These building types are called “missing” because although historically they have played an instrumental role in providing housing choices and affordable options in many cities across the country, they have typically been difficult to build under land-use laws in many cities since the mid-1940s. The term “middle” refers to building types that sit in the middle of the density and affordability spectrum. Missing middle building types have delivered attainable choices to families with a range of incomes and have the potential to play a significant role in achieving attainable rental and ownership housing options across the housing continuum in Flagstaff. Their perceived density—similar in form to single-family homes—is also more compatible with established neighborhoods where the scale of development is important to local residents. The images below visualize the various missing middle building types:



Missing middle housing not only affects affordability but can also lower our community’s carbon footprint by increasing the walkability of our neighborhoods. Higher density housing development with a mix of other land uses within close proximity—such as retail and recreation—encourages walking, biking, and transit use instead of the predominantly car-dependent nature of single-family neighborhoods.






Transitioning from car-dependent development to more walkable, pedestrian-oriented development is also integral to achieving the City of Flagstaff's carbon neutrality goals. When a variety of missing middle building types are combined in a neighborhood (often with detached single-family homes), this helps to provide enough households within walking distance to support local businesses and access to groceries and public transit. Missing middle housing can also provide a walkable transition area from low-density single-family neighborhoods to high-density apartment, retail, and office districts. Over the last 50 years, walkable development has focused on mid-/high-rise buildings that offer many units within close proximity of amenities but often lack the independence and sense of community that many households and individuals are looking for. Missing middle housing can increase density and sustainable development patterns while maintaining a sense of community that is attractive to a variety of households.

### **How is Market Rate Housing Funded?**

Funding for the construction and sale of market rate homes most often utilizes borrowed funds and therefore is based on risk—the lower the risk, the more funding that is available and vice versa. Lenders and other financing institutions look at numerous factors such as market trends and housing supply/demand in determining how much they will lend and at what interest rate for the construction of new housing, thus the availability of funds and what gets built with the funds is highly influenced by the lending and housing market. At the same time, homebuyers access market rate housing primarily through loans that take the households' income, credit, and debt-to-income ratios into account when determining the purchasing power of the household. Therefore, monitoring housing, construction, and market conditions/trends is essential when implementing the 10-Year Housing Plan because they will impact the viability of the 10-Year Housing Plan's policy initiatives and strategies. Refer to the following section regarding what Flagstaff families can afford when it comes to housing in today's market.



WHAT CAN FLAGSTAFF FAMILIES AFFORD?

What Can Flagstaff Families Afford?					
Household Type	Retiree on Fixed Income	Service Industry Worker @ \$15/hr.	Single Parent with 2 children	Family of 4 people	Young married couple
					
Number in Household	1	1	3	4	2
Estimated Household Income	\$16,140	\$31,200	\$55,350	\$76,800	\$73,800
% of Area Median Income	30%	58%	80%	100%	120%
Max Rent They Can Afford	\$404	\$780	\$1,384	\$1,920	\$1,845
Max Home Purchase Price They Can Afford *	\$49,000	\$125,000	\$248,000	\$359,000	\$343,000
\$ Needed for Downpayment & Closing Costs *	\$3,185	\$8,125	\$16,120	\$23,335	\$22,295

\* 4.0% interest rate; 30-year term with 3.5% down payment. Assumes 30% housing ratio and that household debt does not impact affordability. Insurance = \$50/mo. Taxes = \$120/mo. No HOA payment. Monthly MI @0.28%.

Image and below text provided by Housing Solutions of Northern Arizona

The image above, created by Housing Solutions of Northern Arizona and the City's Housing Section, provides a visual of households that fall within extremely low income, very low income, low income, median income, and moderate income categories. This image presents these household situations and the maximum rent and maximum mortgage that each household can tolerate to obtain an affordable housing situation. For details on the methodology used, please refer to the Survey and Methodology Document.

Summary for What Families in Our Community Can Afford:

- ▲ Very low-income households, including those on fixed incomes, cannot afford to purchase a home in our community. They struggle to find a rental they can afford, as extremely few studios or 1-bedroom units are available for \$404 per month.
- ▲ In general, minimum-wage workers cannot afford to purchase a home in our community. These families also struggle to find decent rentals even with a higher monthly budget for rent. While a few units with rent below \$780 per month may be found, a household is hard-pressed to find a rental that is not a studio or a single room at that price.
- ▲ 80% AMI households can likely rent a market rate unit, although they possibly may pay more than an "affordable" portion of their monthly income. They struggle to find a house to purchase, with buying power of around \$250,000. In September of 2021, Flagstaff's Multiple Listing Service (MLS) had three homes in that price range on the market. Of those homes, all three are two bedrooms or less. Homes in this price range are often condos with Homeowner Association (HOA) fees, increasing the monthly cost of housing.



- ▲ Households in the 100% to 120% AMI range can likely find a rental for their families and can potentially afford a mortgage that allows them to purchase a home in the Flagstaff market. Down payment and up-front loan costs are often barriers to homeownership for these families because it is very difficult to save the necessary amount when households are rental cost burdened and home prices in Flagstaff continue to rapidly increase. If we assume a family is using FHA financing (which has one of the lowest down payment requirements at a minimum of 3.5%), this family will need to have a minimum of \$20,000 in cash available for their home purchase.

### Homeownership in Flagstaff

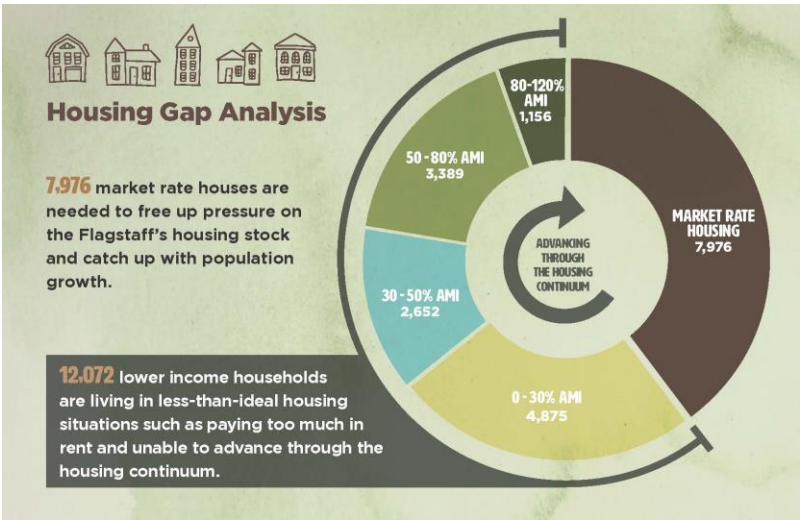
The American Dream of homeownership is slipping away for families in Flagstaff. Our community continues to see home price appreciation exceed wage increases, creating a larger and larger gap between home sales prices and what Flagstaff residents can afford. In the first half of 2021, Multiple Listing Services (MLS) data showed that the median home sales price in Flagstaff exceeded \$500,000 for the first time. Homeownership is now attainable for wealthy families in Flagstaff, but a distant dream for our workforce. The consequences of home price increases are dire, as more and more members of our workforce look to leave Flagstaff's high-cost housing market and relocate to other communities where housing is within reach. Over one in four survey respondents (26.7%) indicated that they were either very likely or nearly certain to leave Flagstaff due to housing costs. Right now, homeownership barriers include the lack of lower-priced inventory and the need to have more money for a down payment and closing costs. In 2021, we are fortunate to have continued low interest rates, but if and when mortgage interest rates increase, buying power will be reduced and the challenge will be even greater.

# FLAGSTAFF'S HOUSING GAP ANALYSIS - QUANTITATIVE RESULTS

This Plan seeks to understand the gap between available housing and Flagstaff's housing needs. City staff, Housing Commission members, and community experts created an Informal Working Group that performed a housing gap analysis to determine both Flagstaff's current housing needs and its available housing stock. To determine the affordable housing need, a methodology from the Joint Center for Housing Studies of Harvard University,<sup>19</sup> Montgomery County Interagency Commission on Homelessness,<sup>20</sup> and Freddie Mac Housing and Economic Research<sup>21</sup> was applied. The housing gap analysis reveals the estimated number of affordable housing units needed based on local income levels and bedroom sizes.

To define the City's need for market rate housing, the team used a proxy figure: the gap in housing supply from declines in housing construction and conversion from long-term housing to short-term rentals (STRs) since 2000. Other influential elements that also impact Flagstaff's overall housing supply include the decrease in average household size, an increase in second homes in Flagstaff, an increase in university student population, and limited developable land in Flagstaff.

**The housing gap analysis found that Flagstaff currently has an undersupply of 7,976 housing units and 12,072 households with an affordable housing need.**



<sup>19</sup> Joint Center for Housing Studies of Harvard University, [Estimating the Gap in Affordable and Available Rental Units For Families](#), Witney Airgood-Obrycki, Jennifer Molinsky, April 2, 2019

<sup>20</sup> Montgomery County Interagency Commission on Homelessness, Appendix Four: [Housing Demand and Supply](#)

<sup>21</sup> Freddie Mac, [Insight Report](#), The Housing Supply Shortage: State of the States, February 27, 2020

Importantly, Flagstaff's undersupply of housing does not alone mean that our community has 20,048 households living without a place to call home. It means that 12,072 lower-income households are living in less-than-ideal housing situations, such as paying too much in rent, and are unable to advance through the housing continuum, while the remaining 7,976 market rate houses are needed to free up pressure on Flagstaff's housing stock and to catch up with population growth.

This Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

**Goal: Reduce the current affordable housing need in Flagstaff by half.**

- ▲ Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- ▲ Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce, and affordable housing occupied by local residents.

In a market without enough homes and without adequate subsidies, the people who lose out are Flagstaff's low- to moderate-income residents: 47% of our population. This Plan's policy initiatives and strategies include increasing both the subsidies that provide targeted assistance to households in need and the number of housing units. Both elements above are mutually interchangeable and will require bold action to address the Housing Emergency.

# Affordable and Subsidized Housing Gap Analysis

Flagstaff is faced with a demand for housing that far exceeds supply. To capture the demand and supply imbalance, the City analyzed the distribution of household size and income ranges from the 2019 American Community Survey, Census data, and the Coconino County Assessor's office. These figures identify and highlight the types of housing units that are under- or over-supplied in the Flagstaff city limits, including communities in the 86004 and 86005 zip codes like Doney Park, Kachina Village, and Mountaineire.

**12,072 lower-income households are living in less-than-ideal housing situations, such as paying too much in rent, and are unable to advance through the housing continuum.**

This housing gap analysis found that there is not enough affordably priced housing or subsidies available for households earning less than \$66,400 (0-80% AMI) per year.

- ▲ For extremely low- to low-income households, Flagstaff currently has 10,916 households living in less-than-ideal housing situations. Of those households, 7,335 are living in one- and two-bedroom homes. These low income (0-80% AMI) households make up 47% of Flagstaff's population and require substantial subsidies to achieve housing that is defined as affordable at their income level.

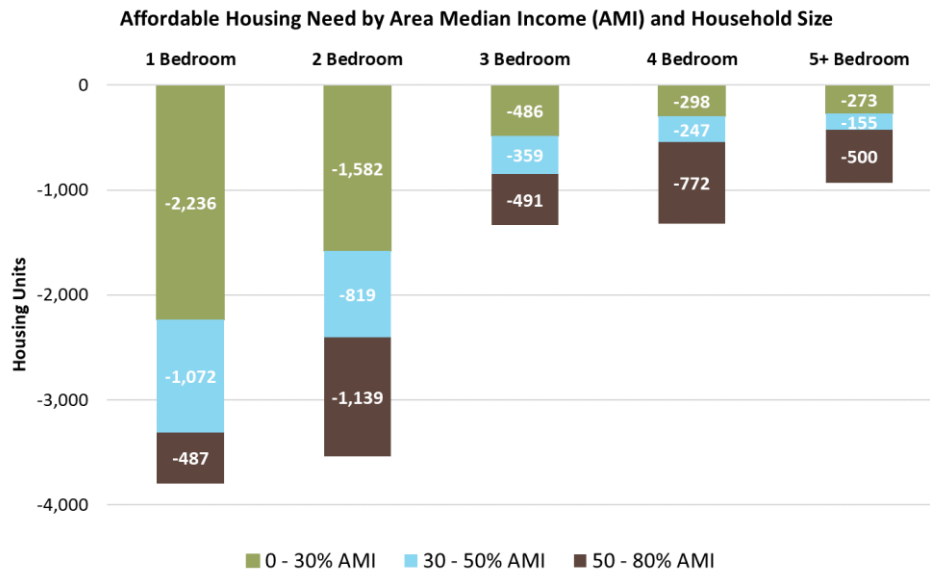
For low- to moderate-income households earning between \$66,400 and \$101,520 (80-120%), the affordable housing gap analysis found that while these households have a slightly higher advantage in finding affordable housing, 1,156 households are living in less-than-ideal housing situations.

- ▲ Of those 1,156 households, 1,037 are living in four- and five-bedroom units. These low- to moderate-income households make up 18% of Flagstaff's population and require some amount of subsidy to achieve housing that is defined as affordable at their income level, especially for larger households.

## 12,072 Households in Need of an Affordable Housing Subsidy or Unit

		Income & Household Size					
AMI Range		1 Person	2 Person	3 Person	4 Person	5+ Person	
Extremely low to low Income	0 - 30%	-2,236	-1,582	-486	-298	-273	10,916 Households
	30 - 50%	-1,072	-819	-359	-247	-155	
	50 - 80%	-487	-1,139	-491	-772	-500	
Low to Moderate Income	80 - 100%	212	248	114	-366	-311	1,156 Households
	100 - 120%	-119	1,206	2,708	247	-360	
	> 120%	-1,261	-4,514	6,366	4,562	392	

The results above indicate that a large portion of Flagstaff's households are paying more than 30% of their household income on housing and are "doubling up" or living in smaller than ideal units (defined as greater than two persons per bedroom). The chart below shows subsidies and housing needs by bedroom size for those households living in 0-80% of the Area Median Income range. For 2021 Area Median Income Limits for Flagstaff, refer to the Survey and Methodology Document.



## SERVING LOCAL RESIDENTS THROUGH CITY OF FLAGSTAFF HOUSING PROGRAMS

The mission of the Housing Section is to develop a viable urban community by providing decent and adequate housing, a suitable living environment, and expanded economic opportunities for the Flagstaff community, especially for low- and moderate-income persons.

The City of Flagstaff's housing programs serve local residents living and working in the Flagstaff community by requiring owner occupancy. Programs require income verification and serve residents primarily living in the 0-80% area median income range; other City programs serve up to 125% AMI, but resources are limited.

Housing is an important community issue in Flagstaff. The limited supply of housing for low- and moderate-income residents affects our quality of life and our ability to grow and develop economically. The City of Flagstaff Housing Section works to address the shortage with several programs and tools designed to:

- ▲ Coordinate with community partners for crisis housing
- ▲ Assist low-income households with affordable rental resources
- ▲ Increase housing inventory and availability
- ▲ Economically stabilize lower-income families through the benefits of homeownership
- ▲ Support efforts for safe and adequate homes
- ▲ Revitalize community neighborhoods

The City of Flagstaff Housing Section includes a variety of programs to serve families and individuals throughout the housing continuum of homelessness to homeownership. Many programs are delivered in collaboration with community partners and other agencies. For a detailed list of local housing programs, visit the [Housing Section's webpage](#).

### **City of Flagstaff Land Designated for Affordable Housing**

There are a total of 41.3 acres of vacant City-owned land dedicated to affordable housing. This acreage is spread across nine different properties of varying sizes and land use designations. Six of the properties are already zoned for multi-family use; the other three are not and would require rezoning. Over the years, several plans for affordable housing on City of Flagstaff's properties were created, but for several reasons—community opposition, financing issues, and changing market conditions—the units were not constructed. If the units from each of those prior plans and additional affordable units from the remaining properties were totaled, an estimated 254 affordable units could be built on City of Flagstaff property designated for housing. It's important to note that actual unit counts will vary depending on development partners, the site planning processes, and perhaps most significantly, neighborhood input.

In the next 10 years, the City of Flagstaff will endeavor to construct 254 affordable housing units on vacant City-owned property currently designated for affordable housing. While this number is nowhere near the Plan's goal of 7,976 units, the use of vacant City-owned land is only one of the multiple strategies in this Plan that seek to create additional units. The responsibility of delivering affordable units in the community must be shared among private and public landholders, developers, non-profits, and public agencies.

### **City of Flagstaff Housing Authority and Possibilities**

The City of Flagstaff Housing Authority (CFHA) is a section within the City that manages the City's public housing. The City owns and manages 265 public housing units, of which 100 units are located in Siler Homes and 127 units are located in Brannen Homes. The remaining 38 units are scattered throughout the city. All properties are a part of the Department of Housing and Urban Development's (HUD) Public Housing program and are currently subject to restrictions set forth in Declarations of Trust.

HUD has developed a voluntary Rental Assistance Demonstration (RAD) program. RAD seeks to preserve public housing by providing Public Housing Agencies (PHAs) with access to more stable funding to make needed improvements to properties.

PHAs and owners of other HUD-assisted properties can convert units from their original sources of HUD financing to project-based Section 8 contracts. The primary benefit of RAD is that properties that convert under this process are no longer restricted from securing private sources of capital financing, and the owners are therefore able to address deferred maintenance and/or redevelop. Additional information about RAD can be found online at [HUD's Rental Assistance Demonstration Website](#). In addition to RAD, the City is interested in other repositioning options, including, but not limited to, Section 18, Voluntary Conversion, in conjunction with Low Income Housing Tax Credits (LIHTC), and other financing advantageous for each project. Through this process, all current residents of public housing have the right to return to the redeveloped units, thus no one who currently lives in Public Housing will be permanently displaced.

The City intends to reposition and redevelop its public housing to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the city. The City's vision is to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs. The City's goals are to reposition its public housing portfolio through RAD and other options allowed by HUD to stabilize funding, modernize properties, and increase the number of affordable housing units. The City shall maintain ownership control and management of all properties in accordance with federal regulations and subject to HUD approval.

Additional information about the location and number of future affordable housing units will be available as the City of Flagstaff pursues its RAD partnership with an experienced affordable housing developer.



**Building Unity in the Community**

Building support around the development of affordable housing is a key component for the success of this Plan and its implementation. In fact, community opposition has proven to create challenges and barriers to the City’s success in creating additional affordable housing. Community support is imperative when addressing the Housing Emergency.

This means providing affordable housing opportunities for our firefighters, police officers, teachers, sanitation workers, construction workers, young professionals, small business owners, and other working families—those who rescue us in times of need, keep our streets clean and safe, educate our children, and stock our grocery stores, among other critical functions. It means providing housing opportunities for our service industry and healthcare workers who fuel our economy and care for us and our loved ones. It means providing housing opportunities for our veterans who have served our country and fought for our freedom. It means providing housing opportunities for young adults and young families, who are our future, as well as existing residents who have fueled our economic growth. It also means enabling our seniors and legacy residents to remain in the city that they helped build.<sup>22</sup>

Affordable housing builds community and character. Ensuring that affordable housing incorporates the principles of good design and that it is well-integrated into the neighborhood, within walking distance to public transportation, schools, medical facilities, and grocery stores, is key to building a healthier more livable Flagstaff. Below are images of local housing developments that are well-designed and include an affordable housing component that Flagstaff local residents can call home.



The above developments from left to right show: 1.) Flagstaff Senior Meadows, serving seniors up to 60% AMI with 60 rental units. 2.) High Country Estates, serving up to 60% AMI with 44 rental units 3.) Rio Homes Land Trust units, serving up to 124% AMI with 21 ownership opportunities.

<sup>22</sup> [Housing Phoenix](#), City of Phoenix, 2020

## Market Rate Housing Gap Analysis

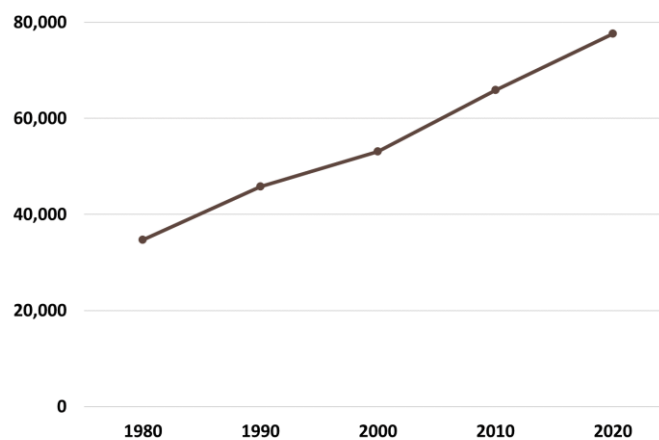
The Gap Analysis Informal Working Group worked to perform a gap analysis for market rate housing. This group estimated the market rate housing needs using US Census data for the Western Region and short-term rental (STR) data from LodgingRevs, an STR compliance database. Other measurements used for the market rate housing gap analysis were population growth, changes to the average household size, second home numbers, and Northern Arizona's university student population.

### POPULATION GROWTH

Flagstaff is a growing city, drawing in new residents year after year with our strong economy, high quality of life, and cultural attractions.

**Since 2000, Flagstaff's population has grown by 47% to 29,060 households and 77,590 people.**

Flagstaff Population 1980 - 2020



Growing population sectors include the elderly, university students, single-parent households, and non-family households. These community members need diverse housing options within close proximity to jobs, schools, and services.

As our population grows, more of our residents experience challenges finding housing within an affordable price range. Flagstaff's household demographics are changing in multiple ways: while more people are moving here, household sizes are decreasing. Both factors impact market demands.

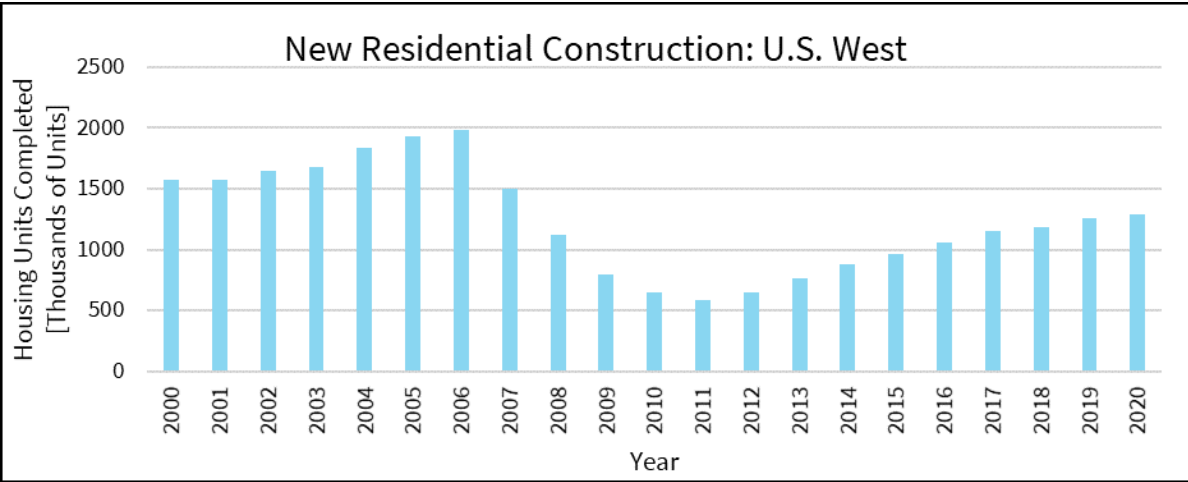
### Decrease in Average Household Size

Housing demand is closely related to population and household size. Flagstaff's demographics have seen significant shifts: our population is aging, and household sizes are shrinking.

- ▲ Growth in the 65-year-old age group and overpopulation has created new demands for affordable, accessible housing. As this older population is aging in place and needs smaller homes, we want to help our older residents stay in Flagstaff.
- ▲ Flagstaff's families are having fewer children and single-parent households are rising. These changes increase the need for housing types that fit smaller families.

In conclusion, Flagstaff's average household size has declined from 2.80 in 1990 to 2.67 in 2019. This shift means that more homes are needed for the same population of people, exacerbating Flagstaff's housing gaps.

HOUSING PRODUCTION

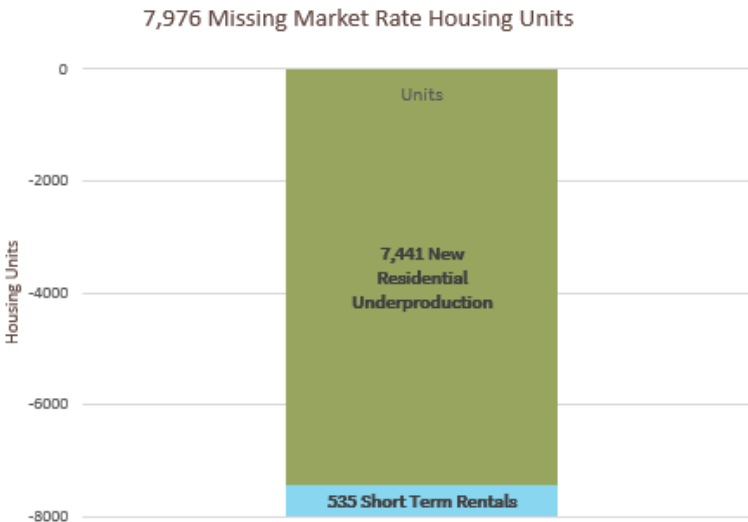


US Census New Residential Construction, Western Geographic

While Flagstaff has experienced consistent population growth over the last 20 years, the regional housing supply has not grown at the same rate. For example, new residential housing construction in the Western United States was strong in 2006, and then declined from 2007 to 2011. Housing construction slowly increased after the Great Recession, but still has not returned to 2006 production levels. This regional trend has been replicated in Flagstaff with the decline in home building, all while Flagstaff's population grew by 25,046 people since 2000.

**Based on Flagstaff's share of population in the region, the market underproduced housing by approximately 7,976 units.**

This housing underproduction is complemented by other local household demographics and limited developable land. Housing trends such as second homes and the university student population also exacerbate market rate housing supply.

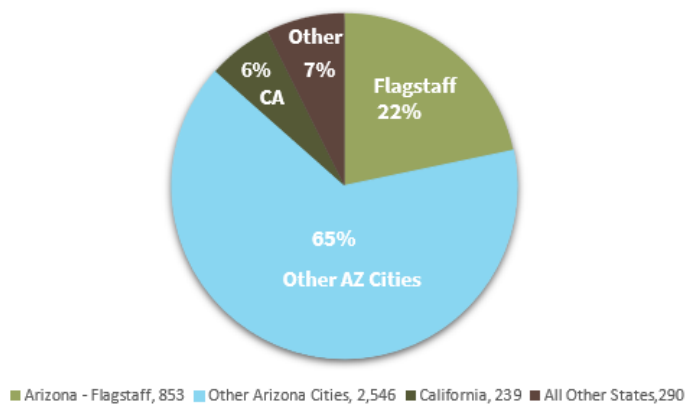


## SECOND HOMES IN FLAGSTAFF

Another community characteristic impacting market rate housing supply is the large number of second homes in Flagstaff. Second homes are defined as properties that are not used as a primary residence. Flagstaff is a popular choice for second homeowners. Highly impacted by seasonal migration, second homeowners look to Flagstaff to escape the desert heat of lower-lying regions in the summer in Arizona and beyond, visit Arizona's prime mountain town in the winter, and have a home for year-round recreational amenities.

One of climate change's most significant impacts in Flagstaff will be an increase in visitation, migration, and population, resulting in an increase in demand for housing. The Phoenix area—one of the country's fastest-growing and largest metro areas, now exceeding five million people—will begin to see hotter and hotter summers, with 24 more days of dangerous heat and temperatures regularly exceeding 120 degrees Fahrenheit.<sup>23</sup> Due to these changes, we can expect visitation and migration to Flagstaff to increase, as many Phoenix-area residents look to escape hotter and hotter temperatures during the summer through weekend visitation, season-long visits, or second homes.

**Where do people who own second homes in Flagstaff live?**



In addition, with its temperate climate, Flagstaff is likely to become a climate refuge destination that attracts people from beyond Arizona, as dramatic migration shifts occur across the country.<sup>24</sup> These downstream effects of climate change result in more people in Flagstaff competing for a limited supply of housing, with domino effects on Flagstaff's housing market and land use. We can expect that climate change will dramatically exacerbate Flagstaff's housing problems, making the current crisis worse by increasing the demand for more full-time housing units as well as second homes.

Flagstaff has 3,928 second homes within city limits. This number amounts to 22% of all Flagstaff parcels, significantly affecting the overall housing supply and primary residents' ability to attain housing.<sup>25</sup> Many of the second homes in Flagstaff are larger luxury homes, with an average assessed value that is \$30,000 higher than owner-occupied homes. Approximately 853 of those second homes are owned by full-time Flagstaff residents; 2,546 are owned by residents of other cities in Arizona, and 529 are owned by residents of other states.

The prevalence of second homes, which are often vacant, eliminates housing options for local residents—especially the four- to five-bedroom homes as noted in the above Affordable and Subsidized Needs

<sup>23</sup> [Understanding climate change from a global analysis of city analogues](#), PLOS One, July 2019

<sup>24</sup> [The Flagstaff Carbon Neutrality Plan](#), City of Flagstaff, June 2021

<sup>25</sup> [Coconino County Assessor's Office](#), 2021 data

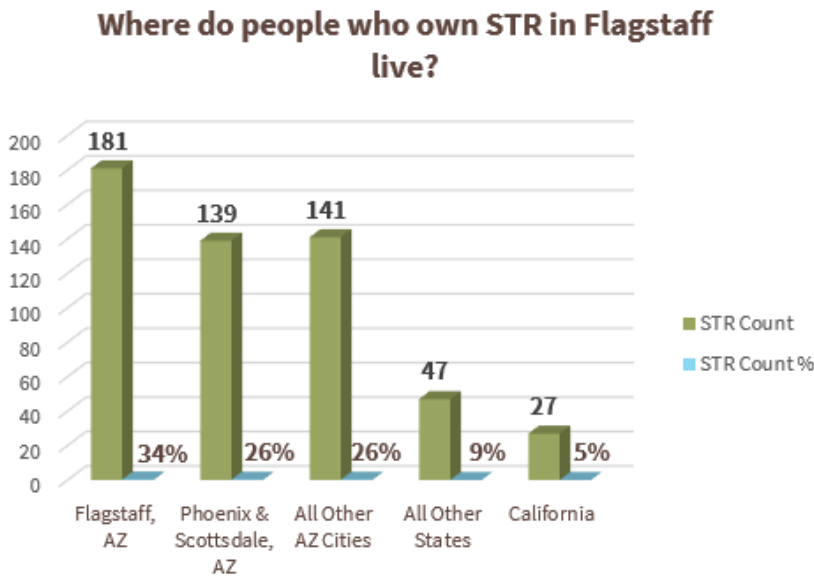
Assessment. On the other hand, even though these larger homes are not occupied year-round, their homeowners are part-time residents contributing to the local economy and taxes.

SHORT-TERM RENTALS (STR) AND VACATION RENTALS

Arizona law restricts local governments from enacting meaningful short-term rental regulations or limitations. Without a state preemption, local governments would have flexibility to regulate the number, location, and uses of short-term rentals in addition to limiting the number of short-term units per owner.<sup>26</sup> There are arguments both for and against the preemption currently impacting potential legislation, and there are possible legal implications as well.

Short-term rentals (STRs) have become very popular in Flagstaff. STRs increase pressure on the local housing market by removing approximately 535 housing units from residential use.<sup>27</sup> According to Harvard Law and Policy Review,<sup>28</sup> short-term rentals likely reduce the affordable housing supply by distorting the housing market in two interconnected mechanisms. The first such mechanism is one of simple conversion: any housing unit that was previously occupied by a Flagstaff resident, but is now listed as a short-term rental year-round, is a unit that has been removed from the rental market and has essentially been added to the community's supply of hotel rooms. This leads to a real, but likely mild, increase in citywide rents, an effect that is concentrated in affluent or gentrifying neighborhoods.

Today, Flagstaff is short 535 housing units due to short-term rental conversion. Of these 535 non-owner-occupied short-term rentals, the majority are owned by residents from Flagstaff or other major cities in Arizona; 74 (9.3%) owners are from out-of-state.



<sup>26</sup> [State-Level Legal Barriers to Adopting Affordable Housing Policies in Arizona](#), Arizona State University, Morrison Institute for Public Policy, November 2021

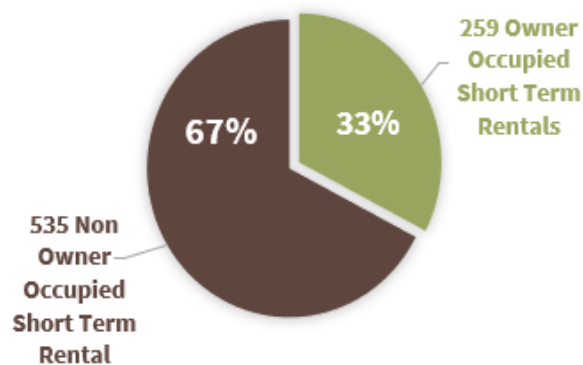
<sup>27</sup> [LODGINGRevs](#), City of Flagstaff Data

<sup>28</sup> [How Airbnb Short-Term Rentals Exacerbate Los Angeles's Affordable Housing Crisis: Analysis and Policy Recommendations](#), Dayne Lee

“Hotelization” is the second mechanism of housing market distortion, according to the Harvard Law and Policy Review study. As long as a property owner or leaseholder can rent out a room on Airbnb (or another short-term rental service) for cheaper than the price of a hotel room, while earning a substantial premium over the residential market, there is an overpowering incentive to list each unit in a building on Airbnb rather than rent to [Flagstaff] residents, thereby creating "cottage hotels." This decreases the supply of housing and spurs displacement, gentrification, and segregation.

While approximately 259 owner-occupied short-term rentals exist within Flagstaff city limits, the Informal Working Group did not count these owner-occupied, single-bedroom short-term rentals in the gap analysis. This active income from owner-occupied STRs provides additional income that owners can utilize in paying their mortgage and possibly removes their household from living housing cost burdened. Perhaps more importantly, because the owner still occupies the home while renting out a room, the home is still housing a full-time resident of Flagstaff and is not taken out of the housing market.

#### OWNER OCCUPIED VS. NON OWNER OCCUPIED SHORT TERM RENTALS



## NORTHERN ARIZONA UNIVERSITY STUDENT POPULATION AND ON CAMPUS HOUSING PRODUCTION

Founded in Flagstaff in 1899, Northern Arizona University (NAU) is a growing university with its main campus located in the heart of Flagstaff. NAU students currently make up approximately twenty six percent (26%) of Flagstaff's population. University students are a valued part of our community, yet their continued demand for housing impacts the cost and availability of housing for permanent residents. This results in higher demand and less supply, mostly for multi-family housing.

NAU's Flagstaff-based undergraduate enrollment increased 51% from 2000 to 2020, rising from an enrollment of 13,546 students to 20,433 on-campus students. Over the same period, NAU increased its on-campus housing capacity by 38%, from a capacity of 6,283 students to 10,144 students. NAU takes pride in ranking in the top 1% nationally for on-campus housing capacity per student. NAU housed 44% or 8,951 of its Flagstaff-based students in 2020, which was down significantly from previous years due to the university's COVID-19 mitigation strategy.<sup>29</sup> On-campus student housing occupancy at NAU typically runs at or near full capacity.

NAU has aggressively built on-campus student housing, but approximately 11,480 university students still lived off-campus in 2020. Since 2011, several private off-campus student-specific developments have been constructed. The Jack, The Standard at Flagstaff, Fremont Station, The Grove, and most recently the Uncommon all provide a student-focused residential experience but allow for housing of anyone who qualifies. Combined, these developments provide 3,531 beds. The above-noted developments are examples of developers purchasing privately-owned property in locations already zoned to accommodate multifamily housing. In cases like these, the City of Flagstaff applies the rules and regulations for development at the time of application which limits the discretion of the City of Flagstaff. Furthermore, the City of Flagstaff does not have authority in controlling construction on the NAU campus or student enrollment.

While most of the remaining NAU students compete with other Flagstaff residents for housing, either renting apartments or rooms in single-family homes, many of these students are likely cost-burdened as the estimated annual cost of attendance (tuition and fees plus books, housing, meals, transportation, and personal expenses) is \$28,430 at NAU for Arizona residents living off-campus, \$33,755 for students from one of the Western Undergraduate Exchange member states, or \$43,176 for other non-resident students.<sup>30</sup> For the 2020-21 Academic Year, 60% of full-time undergraduate students received financial aid. On average, need-based financial aid covered 65.1% of those students' cost of attendance, meaning many students are required to take on unsubsidized or private student loans, find a job, or rely on family contributions to meet their needs.<sup>31</sup>

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<sup>29</sup> Northern Arizona University, Intuitional Research and Analysis, [Fall 2020 Fast Facts](#) and Data provided by NAU

<sup>30</sup> [Northern Arizona University, Tuition and Expenses](#)

<sup>31</sup> [Northern Arizona University, Common Data Set 2020-2021](#)



# FLAGSTAFF HOUSING SURVEY – QUALITATIVE RESULTS

The 10-Year Housing Plan Survey collected data from Flagstaff residents on local living conditions, the cost of housing, and household goals. This survey builds on the Economic Collaborative of Northern Arizona's (ECoNA's) Housing Attainability for the Flagstaff Workforce report.<sup>32</sup> Survey questions were reviewed by working group participants. The resulting data reinforced housing burden tensions for both homeowners and renters, while also generating a wealth of personal comments about Flagstaff's residents' housing situations.

The survey was shared with Flagstaff businesses, multifamily developments, community members, and the service provider network known as the Coconino County Continuum of Care. The City shared the survey via social media, Housing Authority program participant newsletters, Flagstaff's Community Forum, and clients of emergency shelters and transitional housing. The survey was available online via Survey Monkey and in print at local libraries and with various service providers. Both English and Spanish surveys were available. Refer to the Survey and Methodology Document to view the full survey and analysis.

Responses were collected between April 22, 2021, and June 15, 2021. With 2,949 responses, the results were compared with previously available data from the US Census and the Department of Housing and Urban Development. Data included responses from:

- ▲ 1,833 owners (62.2% of respondents),
- ▲ 943 renters (32.0% of respondents), and
- ▲ 81 people experiencing homelessness (2.7% of respondents).
- ▲ 78 of 85 Flagstaff neighborhoods or 91.8% of neighborhoods with at least one response.
- ▲ 896 (30.4%) provided some additional comment out of 2,949 responses.
- ▲ More than one in four respondents (28.3%) reported having lived in Flagstaff for ten years or more.

Survey responses highlight a wealth of strong opinions related to the housing market. The results reinforce the need to address housing attainability by illuminating the diverse, personal narratives of Flagstaff residents and bringing the housing crisis to life. To reiterate from the previous chapter: In a market without subsidies, the people who lose out are Flagstaff's low- to moderate-income residents, which comprise 47% of our community.

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<sup>32</sup> [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

HOUSING BURDENED SURVEY RESULTS

Housing burden is defined as households paying more than 30% of their monthly gross income towards housing. Housing burden calculations were derived from survey respondents that provided income, utility, and monthly housing payment information. Burden calculations assumed a median value when provided a range, such as for income and utilities.

The results show that many households are housing cost burdened.

- ▲ 35.4% reported being housing burdened.
- ▲ Of renter respondents, 50.3% reported being housing burdened.
- ▲ Of homeowner respondents, 27.2% homeowner respondents reported being housing burdened.
- ▲ 22.8% reported being severely housing burdened, paying 50% or more of their income toward housing costs.

Overall Housing Burden			
Respondents that provided income, utility, and housing payment information			2,041
Respondents housing burdened	875	Respondents severely burdened	315
Percentage housing burdened	35.5%	Percentage severely burdened	12.8%
Owner Housing Burden		Renter Housing Burden	
Owners burdened	396	Renters burdened	454
Owners severely burdened	94	Renters severely burdened	206
Percentage of owners burdened	27.2%	Percentage of renters burdened	50.3%
% of owners severely burdened	8.2%	% of renters severely burdened	22.8%

Almost all respondents answered the question “What, if any, do you see as barriers to homeownership in the future?” Respondents could select more than one barrier, resulting in 5,269 barriers from 2,915 respondents. Nearly half of all respondents (46.17%) identified as homeowners. Among respondents that were not already homeowners, almost eight out of nine (88%) cited average home price as a barrier. Over half of the non-homeowners cited paying too much in rent to [be able to] save (50%) or not [having] enough [for] down payment (53%).

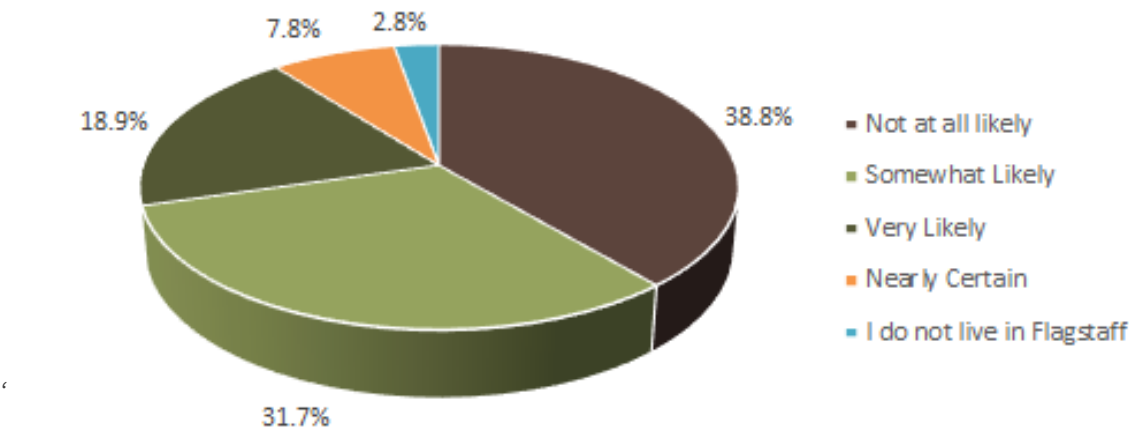
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RESPONDENTS CONSIDERING LEAVING

Flagstaff residents’ responses to the Housing survey illustrated that the Housing Emergency is causing residents to leave Flagstaff. While nearly two in five respondents (39%) reported that they are “not at all likely” to move from Flagstaff, more than one in four stated they were either “nearly certain” or “very likely” to relocate due to housing costs. These responses are contextualized with later comments citing the increasing cost of living, increasing rent, rising home prices, student housing, second homes, investment properties, and complaints about the styles of new construction. One respondent added:

“I’m a 4th generation Flagstaff resident but the only people who seem to be able to afford to live here anymore are rich people [...]. The rest of us are hardworking poor who are being driven out.”

Likelihood to leave Flagstaff due to Housing Costs





# HOUSING IS FLAGSTAFF'S INFRASTRUCTURE

Safe, decent, and affordable housing is a vital part of Flagstaff's infrastructure. Because housing is a basic human need that must come first, every unit counts. Affordable housing improves health and the environment, connects people to neighbors, bolsters housing productivity and economic growth, and supports local job creation.

## Flagstaff's Interconnected Challenges and Shared Solutions

Informal working groups convened on the topics of housing and health, neighborhood and equity, housing and sustainability, and zoning and land use. Informal working groups were composed of City staff, Housing Commissioners, and community experts. City Housing Section staff and the Economic Vitality Section worked together to discuss the connection between housing and economic growth. The working groups discussed how mutually connected housing is to all the above topics. The groups defined housing barriers and challenges for residents and created policy initiatives and strategies to address the Housing Emergency and advance housing opportunities for all. Below you will read about Flagstaff's interconnected housing challenges and shared solutions.



Source: Live Well Arizona – Elements of a healthy community

**Housing is interconnected to:**

- ▲ Healthcare
- ▲ Neighborhoods and equity
- ▲ Sustainability
- ▲ Zoning and land use
- ▲ Economic opportunity

## Housing and Healthcare

According to Enterprise Community Partners Inc.'s national survey regarding the link between homes and health, more than half of renters surveyed have delayed healthcare because they couldn't afford it. Furthermore, the survey reveals renters who are paying a high percentage of their income for housing are regularly making difficult tradeoffs between rent and health care.<sup>33</sup>



A 2020 University of California - Los Angeles study shows that people experiencing homelessness are two to four times more likely to require critical care and two to three times more likely to die than the general population. Stable housing is a basic, cost-efficient form of healthcare that has the potential to improve physical and behavioral health outcomes among vulnerable individuals and families significantly.

Housing with integrated services can take on several forms, but the basic idea is connecting homes where people live with health care services, either on-site or in the community. More and more research demonstrates that preventive care coupled with

stable housing improves people's health, reduces urgent care visits, and saves people, taxpayer, and health care organizations money.<sup>34</sup>

### COVID-19 PANDEMIC

The inextricable link between health and housing, as amplified by the COVID-19 pandemic, has spurred partnerships between healthcare and housing providers to address housing as a social determinant of health. Such partnerships can leverage additional funding plus the expertise to guide housing experts in addressing the multiple social dimensions of health and social outcomes that contribute to successful affordable housing development.<sup>35</sup>

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<sup>33</sup> [The Link Between Affordable Housing and Healthcare](#), GlobeSt.com, Tanya Sterling, April 5, 2019

<sup>34</sup> [Health in Housing: Exploring the Intersection Between Housing and Health Care](#), Center for Outcomes Research and Education (CORE) in partnership with Enterprise Community Partners, Inc., February 2016

<sup>35</sup> Arizona Housing Coalition, [Best Practice Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona](#)



## Housing, Neighborhoods & Equity

A child's future should not be determined by the zip code they live in. Unfortunately, educational attainment, employment, upward mobility, and even healthcare can be affected by one's street address and neighborhood. Residing in a home near community assets, such as schools, open or green space, and healthy foods encourages interaction with these healthy resources. Likewise, the social environment of a neighborhood impacts health and well-being. Neighborhood context and social dynamics can either reinforce health or determine it.<sup>36</sup>

As noted in Flagstaff's Lived Black Experience Strategic Plan, adopted by City Council on December 1, 2020, Dr. Ricardo Guthrie points out that Flagstaff has a documented history of redlining and other socioeconomic practices and policies which have created a pattern of segregation and discrimination against Blacks and communities of color within the City. He further states that when talking about the exclusion of a particular culture or race in a geographic area, it is important to understand that there are multifaceted aspects to such exclusion. For example, segregation can be at once physical (redlining, blockbusting, etc.), systemic (based in social practices, policies, and processes), and ideological (the idea that certain people do not belong in certain spaces, i.e., community opposition). Spatial racial exclusion consists of historic, institutionalized policies and practices which privilege private interests over the public good; this is the social landscape in which the idea that providing equal and equitable access to the public space of community (housing, parks, education, transportation, etc.) is viewed as threatening to privatized interests. The basic problem facing much of the economic and social development of communities of color throughout the country has been a long-held link between race, place, and power.<sup>37</sup>



For decades, starting at least in the 1930s, low-income and minority communities were intentionally cut off from lending and investment through a system known as redlining. Today, those same neighborhoods suffer not only from reduced wealth and greater poverty, but from lower life expectancy and higher incidence of chronic diseases that are risk factors for poor outcomes from COVID-19. Housing, economic,

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<sup>36</sup> [Housing Phoenix](#), City of Phoenix, 2020

<sup>37</sup> [Flagstaff's Lived Black Experience Strategic Plan](#), "Flagstaff's Lived Black Experience: A Forgotten People Forging a Patch Forward," The Lived Black Experience CommUnity Coalition, 2020



and social policies should aim to eliminate those risks and undo the unfair burdens of structural racism, both past and present.<sup>38</sup>

Research has shown that neighborhoods can be a good predictor of health. Therefore, it is imperative to place housing in areas of opportunity, such as community spaces, open spaces, quality schools, food, and transportation.

### Flagstaff's Four Target Neighborhoods

The City of Flagstaff has identified four target neighborhoods. Target neighborhoods are defined by HUD as those where more than 50% of households have low- to moderate-incomes (80% or less of Flagstaff's Area Median Income).

- ▲ Sunnyside - Census Tract 3, Block Group 2, 3, & 4
- ▲ Southside - Census Tract 8, Block Group 1 & 2
- ▲ Pine Knoll - Census Tract 8, Block Group 3
- ▲ La Plaza Vieja - Census Tract 11.02, Block Group 3

Together, the 8,565 people who live in the target neighborhoods have the following characteristics:

- ▲ 6,210 are considered low- and moderate-income.
- ▲ 33% are Hispanic or Latino.
- ▲ 27% are people of color.
- ▲ 50% live in family households.
- ▲ 21% have a head of household that is 24 years old or younger.
- ▲ 24% own the home they occupy.



Three of these neighborhoods have formed a coalition referred to as “A League of Neighbors.” The coalition includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association, and the Southside Community Association. Associations work hard to improve neighborhoods with grassroots efforts in safety improvements, beautification, job development, and community spirit. These resident-driven 501(c)3 organizations work collectively and advocate for continual and necessary infrastructure improvements in historic neighborhoods, more local jobs, increasing voter registration, and unity among neighbors.<sup>39</sup>

<sup>38</sup> [National Community Reinvestment Coalition website](#)

<sup>39</sup> [2021 Flagstaff Analysis of Impediments to Fair Housing](#)

# Housing and Sustainability

*Sustainability Section, City of Flagstaff Carbon Neutrality Plan*

The Flagstaff community faces urgent challenges from housing and climate change. The City of Flagstaff recognizes that the Housing Emergency and the climate emergency share many common solutions and that advancing housing and advancing climate action are not in conflict with each other. Indeed, implementing shared solutions to both challenges can lead to a stronger, healthier, and more connected Flagstaff.



To reduce emissions and build a stronger community, Flagstaff needs to rethink its housing and transportation systems—what we refer to as 'the Big Shift.' This shift entails building our neighborhoods so they are more dense, connected, and complete, so that residents don't have to travel across town as often. These neighborhoods welcome more neighbors of varying income levels, are stronger because neighbors know and help one another, and contribute to health, as residents can take active and healthy modes of transportation to get most of what they need nearby. These neighborhoods resemble Flagstaff's oldest, strongest, and most lively neighborhoods like Southside and Townsite, which were built before people were dependent on cars. Climate action that

creates these lively and strong neighborhoods can increase housing and help solve the Housing Emergency, too.

Climate action can support lower overall costs of living. When considering the high costs of living in Flagstaff, housing is the greatest concern, but transportation contributes significantly to the cost of living in Flagstaff, and often requires smaller changes to realize cost savings. Many carbon neutrality solutions can decrease transportation costs by reducing dependence on cars. Car ownership can often be a burden for low-income families: AAA calculates that in 2020, new car ownership cost \$9,561 per year for families, not including significant costs to the overall community and the environment.<sup>40</sup> Transportation costs tend to be lower for those living in neighborhoods where it is safe and accessible to walk, bike, or take transit, and if folks can be car-free, car-lite, or reduce the number of cars in their household, they can significantly reduce their cost of living. Many Flagstaff residents already are car-free or rely very little on personal vehicles, and are using the bus, biking, carpooling, and walking to meet their daily needs. Reducing how much residents must use cars can reduce the cost of living and make it so that more people can afford to live in Flagstaff.

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<sup>40</sup> AAA, [Your Driving Costs](#), 2020

Housing is critical to community health and overall resilience. As we anticipate changes to Flagstaff's climate and social systems, we know that different groups in Flagstaff have different levels of resilience, or ability to withstand challenges like a power outage, school closure, or a medical emergency. Those who are facing housing insecurity are more vulnerable to the impacts of climate change—and so today's current Housing Emergency means Flagstaff is not as strong a community as it could be. One's financial security and housing security can impact their ability to adjust to both short-term shocks like flooding and long-term shifts like increases in housing prices. Low-income residents, communities of color, and Indigenous individuals are more likely to experience disproportionate impacts from climate change. Improving housing in Flagstaff will mean that more residents can live in healthy homes and are better prepared for the changing climate.

An increasing Flagstaff population does not necessarily lead to an increase in overall greenhouse gas emissions. This is because Flagstaff is not a snow globe: our emissions contribute to the world's greenhouse gas emissions, and emissions increases in Flagstaff can be offset by decreases in emissions elsewhere. Indeed, when residents move to Flagstaff, there is an opportunity to decrease overall emissions. For instance, when a new resident moves to Flagstaff, they might live in Flagstaff in a home that is energy-efficient and that allows them to walk and bike and bus many places in Flagstaff; this lower-impact living is good for the climate if it allows the new resident to use less energy in their home and transportation. Yet when people cannot find housing in Flagstaff, they may choose to live in one of Flagstaff's outlying communities, or even commute from further-flung cities like Williams and Winslow. This may contribute to higher overall greenhouse gas emissions, if this new resident of Northern Arizona now has a long commute to a job in Flagstaff, leading to higher emissions overall. Because Flagstaff and northern Arizona cannot avoid growth, ensuring that that growth is done in a sustainable way is critical to reducing overall greenhouse gas emissions.

Addressing these community-wide issues can create significant opportunities. Yet implementing these community solutions will require rethinking our systems and moving away from today's status quo—a status quo that does not work for many people who struggle to live in Flagstaff and is contributing to global climate change. Shaking up our systems will require courage to move out of our comfort zone, to try new things, and to change the way we do business. This will be difficult, but these changes can help Flagstaff create more opportunities and become a more welcoming and inclusive community. Most importantly, climate action and increasing housing supply can allow Flagstaff's residents to access a higher quality of life.

# Zoning and Land Use

*Arizona Housing Coalition, Best Practice Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona*

Limited land and the current shortage in housing supply, relative to demand, are the primary reasons housing costs are increasing. A significant increase in housing supply is necessary to keep pace with current and projected housing demands. Strategies around affordable housing are incomplete when the focus is solely on increasing supply without giving attention to increasing density, establishing building innovation and cost saving practices, preserving affordable housing stock that already exists in our community, and reviewing City codes, processes, and fees to determine whether modification, reductions, or elimination would facilitate cost-saving housing development strategies.



Zoning has a profound impact on housing location and type, but it can also impact cost and affordability. In addition to regulating where housing can be built, the Flagstaff zoning codes regulate other elements such as lot sizes, number of bedrooms, lot coverage, parking, and setbacks, all of which can impact the cost of development and overall housing supply. Currently, 58% of land in Flagstaff is zoned for Single-family residential (R1, R1N, ER, and RR categories), which allows for single-family homes and accessory dwelling units on each property. R1N also allows duplexes. These are low-density zones generally capped between one and seven dwelling units per acre. In addition, 5.6% of land is zoned industrial, 12% is Public Open Space, and 10% is Public Facilities. Approximately 14% of the land within the city allows for medium or high-density housing to be constructed, either through the commercial zoning categories as mixed-use or as apartments, condos, etc.<sup>41</sup>

According to the Arizona Housing Coalition, Best Practice Toolkit for Municipalities, overregulation of land use can create barriers to affordable housing supply. Zoning regulations, parking requirements, height restrictions, lengthy permitting processes, City codes, and community opposition can contribute to increased development costs. Overregulation can restrict the ability of the developer to offer affordable rents and mortgages. Addressing overregulation and reform of land use policy is, therefore, a vital strategy for addressing housing affordability.

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<sup>41</sup> [Regional Snapshot, Zoning – How Land is Regulated](#), City of Flagstaff and Coconino County, October 21, 2021

A prominent barrier to affordable housing development is the State law prohibition on mandatory inclusionary zoning policy. Inclusionary zoning policies are imposed at the local municipal level to require private developers to set aside a certain percentage of their units within new construction projects at an affordable rent. State law determines whether municipal inclusionary housing measures are mandatory or voluntary. In Arizona, as well as Colorado, Idaho, Indiana, Kansas, Texas, Tennessee, and Wisconsin, local governments are prohibited from adopting at least some form of mandatory inclusionary housing (for ownership housing, rental housing, or both). In some cases, courts have determined that statutes limiting rent control also preempt mandatory inclusionary measures for rental housing. Inclusionary housing is a complicated national issue that varies greatly by state, with litigation and new legislation continually shaping the issue.<sup>42</sup> The City of Flagstaff has worked within the confines of state statutes to develop a voluntary program to incentivize the creation of both rental and ownership housing, yet, until such time as our state law is changed, mandatory inclusionary zoning is not a tool available to Arizona's local municipalities for increasing the supply of affordable rental housing.<sup>43</sup>

While municipalities cannot supersede this state law regulation, they may mitigate its effects through the creation of policies that incentivize the inclusion of affordable units. Land use policy reform can be critical to encouraging equitable development in response to Flagstaff's affordable Housing Emergency.

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<sup>42</sup> Inclusionary Housing, Grounded Solution Network, [Is Inclusionary Housing Legal?](#)

<sup>43</sup> [Best Practice Toolkit for Municipalities, for Increasing the Supply of Affordable Housing in Arizona](#), Arizona Housing Coalition, Joanna Carr, 2020

# Housing and Economic Opportunity

*Flagstaff Workforce Housing Attainability Report (Economic Collaborative of Northern Arizona - 2017) & Economic Vitality Division, City of Flagstaff*

Economic Collaborative of Northern Arizona's Flagstaff Workforce Housing Attainability Report stated in its Executive Summary that there is “nearly universal agreement among large employer stakeholders that high housing costs negatively impact employee retention and recruitment,” and “the lack of workforce housing has two primary negative effects on workforce: hindering recruitment...and employee retention issues.”<sup>44</sup>



The nexus between affordable, attainable housing and the economic well-being of the Flagstaff community has been well documented over the years by studies such as the one listed above and by personal stories from businesses and employees alike. Housing costs keep employee groups out of the local marketplace, and they leave for other opportunities while Flagstaff loses not only members of its community, but also employees with skill and talent. This contributes to turnover and recruitment problems for existing businesses, higher training costs, lower productivity, and lower efficiency, which can then lead to employers following the workforce away. In the current economic sphere, many businesses follow talent,

and difficulties hiring can lead to relocation or reductions. Additionally, new businesses that may have located to Flagstaff can be deterred by difficulty in relocating their current staff or perceived challenges with recruitment. As talent becomes more difficult to recruit and retain, the economic diversity and prosperity of the community suffers.

Not only does the higher cost of housing impact recruitment and retention, but when a large percentage of the population spends more than 30% of their income on housing, it limits other spending in the economy. As higher proportions of income go to rents and mortgages, this leaves less for spending in local stores and restaurants, which slows economic growth and restricts sales tax receipts for local governments.

With remote work likely here to stay, expect housing and economic opportunities to adjust accordingly. What we know now is that the ability to adequately and affordably house people at all income levels significantly impacts the ability to recruit and retain the workforce needed for a robust and diverse economy. Losing talent and experience to lower-priced communities will degrade Flagstaff's ability to

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<sup>44</sup> [Housing Attainability for the Flagstaff Workforce](#), Economic Collaborative of Northern Arizona, November 2017

compete for businesses and maintain jobs for those able to live here. Additionally, when people are housing cost burdened, they are less able to participate in the economy than they would be otherwise, which further limits prosperity. With stories of high-paid professionals leaving the community because they could not find acceptable housing becoming more and more common, it is clear that high housing prices are already impacting Flagstaff's economy in a negative way.

## CONCLUSION

Flagstaff residents have made our mountain town the resilient community that it is today. As the City of Flagstaff works to provide equitable solutions to address the Housing Emergency for local residents, we will strive to ensure that affordable housing opportunities and subsidies are available for residents at all income levels and all stages of life.

The City of Flagstaff's mission—to protect and enhance the quality of life for all—directly aligns with the overarching goal of this Plan. Together with funding, partnerships, and the community's support, the City of Flagstaff can advance housing options for the full spectrum of residents who call Flagstaff their home.

### **Reduce the current affordable housing need in our community by half over the next ten years.**

- ▲ Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- ▲ Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce, and affordable housing occupied by local residents.

This Plan establishes one overarching goal supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

For the Detailed List of Policy Initiatives and Strategies that includes scope, term lengths, and City collaboration, please see page 52.

Over the next ten years, the City will continue to advance housing opportunities for all Flagstaff residents. Flagstaff's 10-Year Housing Plan is the City's foundational framework for establishing work programs, prioritizing staff work, and allocating the necessary funding for its implementation.



## Detailed List of Flagstaff's 10-Year Housing Plan's Policy Initiatives & Strategies

Create Connect Preserve Protect		Scope for Strategy				Duration				Collaboration
Scope - Time Commitment & Public Engagement	Funding Indicator	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time	ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +									
Create housing options for households at all income levels and family sizes occupied by local residents.										
<b>Create 1: Incentivize the creation of affordable units through various programs and mechanisms.</b>										
<b>Create 1.1</b>	Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.	M	M	Yes	ST				X	Zoning Code, Planning, Housing Section
<b>Create 1.2</b>	Update the City's affordable housing incentive policy to implement the goals and policies of the 10-Year Housing Plan.	H	H	Yes	ST		X			Planning, Housing Section
<b>Create 1.3</b>	Amend the City code to implement the revised affordable housing incentive policy.	H	H	Yes	ST		X			Zoning Code, Building Safety, Planning, Management Services, Flagstaff Fire Department, Housing Section
<b>Create 1.4</b>	Explore implementing reduced fees and waivers to incentivize the development of affordable housing.	H	H	Yes	ST		X			Zoning Code, Building Safety, Flagstaff Police Department, Management Services, Flagstaff Fire Department, Water Services, Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time		ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +										
Create 1: Incentivize the creation of affordable units through various programs and mechanisms. (continued)												
Create 1.5	Explore in-lieu alternatives to providing affordable housing units (i.e. down payment assistance program, donation of finished lots, in-lieu payment, etc.).	H	H	Yes	ST			X				Real Estate, Zoning Code, Building Safety, Flagstaff Fire Department, Management Services
Create 1.6	Explore expedited review as an incentive to developments that provide affordable housing units.	H	L	Yes	ST			X				Zoning Code, Building Safety, Engineering & Capital Improvements, Planning, Water Services, Housing Section
Create 1.7	Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.	M	H	No	ST						X	Housing Section, Economic Vitality
Create 1.8	Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate.	M	L	Yes	ST			X				Real Estate Section, Housing Section
Create 2: Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.												
Create 2.1	Update the Regional Plan policies to support increased density related to affordable housing.	H	H	Yes	\$\$\$					X		Sustainability, Planning, Housing Section
Create 2.2	Identify suburban areas to support greater density and intensity of development.	H	H	Yes	\$\$\$					X		Engineering & Capital Improvements, Water Services, Sustainability, Planning, Housing Section
Create 2.3	During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost-saving methods that reduce the conflict between affordable housing, historic preservation, and urban design.	H	H	Yes	\$\$\$					X		Sustainability, Planning, Housing Section

<b>Scope – Time Commitment &amp; Public Engagement</b>  <b>L - Low</b> <b>M - Medium</b> <b>H - High time</b>		<b>Funding Indicator</b>  <b>ST - Staff Time</b> <b>\$ - Low = \$10,000 +</b> <b>\$\$ - Medium = \$100,000 +</b> <b>\$\$\$ - High = \$1,000,000 +</b>	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
<b>Create 3: Create a dedicated funding source for affordable housing in Flagstaff.</b>											
<b>Create 3.1</b>	Present 2022 Bond Measure to Council and Community for consideration for additional funding to be leveraged with local, state, and federal dollars.		H	H	Yes	\$	X				Management Service, Housing Section
<b>Create 3.2</b>	Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.		L	L	Yes	\$\$\$		X			Real Estate Section, Management Services, Housing Section
<b>Create 3.3</b>	Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations.		L	L	Yes	\$\$\$		X			Management Services, Housing Section
<b>Create 3.4</b>	Explore other funding mechanisms for affordable housing developments such as Revitalization District and dedicated sales tax.		M	L	Inform	ST			X		Economic Vitality, Management Services, Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low		ST - Staff Time										
M - Medium		\$ - Low = \$10,000 +										
H - High time		\$\$ - Medium = \$100,000 +										
		\$\$\$ - High = \$1,000,000 +										
<b>Create 4: Amend the Flagstaff Zoning Code to facilitate the development of all housing types.</b>												
<b>Create 4.1</b>	Review and amend the Planned Residential Development (PRD) standards and process to address barriers for infill development and allow for more flexibility in development options, building types, and lot configurations.			H	M	Yes	\$\$			X		Zoning Code, Building Safety, Planning, Flagstaff Fire Department, Housing Section
<b>Create 4.2</b>	Explore options with appropriate land use and economic studies as necessary that could integrate affordable housing units to be developed in commercial and industrial locations where suitable.			M	L	Yes	\$\$			X		Economic Vitality, Zoning Code, Building Safety, Planning, Flagstaff Fire Department, Housing Section
<b>Create 4.3</b>	Explore adding affordable housing as an allowed use in the Public Facilities (PF) Zone.			M	M	Yes	ST	X				Zoning Code, Building Safety, Flagstaff Fire Department, Housing Section
<b>Create 4.4</b>	Review parking standards for all residential development with the goal of reducing the cost of development and increasing the number of dwelling units that may be achieved.			M	M	Yes	ST			X		Zoning Code, Building Safety, Sustainability, Planning, Traffic Engineers, Flagstaff Fire Department, Housing Section
<b>Create 4.5</b>	Evaluate and amend the Resource Protection Overlay standards to ensure that the minimum densities can be met on most sites, including making the requirements for residential sites to be similar to those for a commercial site.			M	M	Yes	ST			X		Zoning Code, Planning, Housing Section
<b>Create 4.6</b>	Evaluate Resource Protection Overlay standards in terms of consistent application across each zone and allow for greater maximum densities.			M	M	Yes	ST			X		Zoning Code, Planning, Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time	ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +											
Create 4: Amend the Flagstaff Zoning Code to facilitate the development of all housing types. (continued)												
Create 4.7	Continue to evaluate and amend the current Accessory Dwelling Unit (ADU) zoning code standards with the goal of increasing supply.	L	M	Yes	ST			X				Zoning Code, Water Services, Housing Section
Create 4.8	Explore allowing additional flexibility for homeowners and landlords to increase density.	M	M	Yes	ST					X		Zoning Code, Building Safety, Planning, Flagstaff Fire Department, Water Services, Housing Section
Create 5: Explore regulatory efficiency and cost-saving practices.												
Create 5.1	Hire an independent consultant to review City codes, processes, and fees to determine whether modifications, reductions, or eliminations would facilitate cost-saving housing development strategies.	H	L	Yes	\$\$			X				Economic Vitality, Zoning Code, Building Safety, Sustainability, Planning, Flagstaff Police Department, Management Services, Flagstaff Fire Department, Water Services, Housing Section
Create 5.2	Explore innovative tools and techniques to limit costs for regional development impacts on individual development projects, such as infrastructure.	H	L	Inform	ST					X		Zoning Code, Planning, Housing Section, Engineering & Capital Improvements, Water Services
Create 5.3	Create a dedicated team within Planning and Development Services specifically for affordable housing projects.	L	L	No	ST			X				Planning, Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time		ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +										
Create 5: Explore regulatory efficiency and cost saving practices. (continued)												
Create 5.4	Establish a simplified entitlement (i.e., rezoning and conditional use permit) and development review process.	H	L	Yes	ST			X				Zoning Code, Engineering & Capital Improvements, Planning, Water Services
Create 5.5	Explore alternative Engineering and Fire requirements to minimize the cost of development without compromising Fire and Life Safety.	H	L	Yes	ST					X		Building Safety, Engineering & Capital Improvements, Planning, Flagstaff Police Department, Flagstaff Fire Department, Water Services, Housing Section
Create 5.6	Make pre-approved standard plans available to property owners to reduce planning and review costs.	M	L	Yes	\$\$					X		Building Safety, Engineering & Capital Improvements, Planning, Flagstaff Fire Department, Water Services, Housing Section
Create 5.7	Construct and promote net zero or Net Zero Ready affordable housing when funding is available and encourage private developers to do the same.	M	L	Yes	\$\$\$						X	Sustainability, Water Services, Housing Section
Create 5.8	Prioritize Capital Improvement Projects that facilitate affordable housing.	M	L	Yes	ST						X	Engineering & Capital Improvements, Sustainability, Planning, Management Services
Create 5.9	Prioritize the development of City of Flagstaff owned land designated for affordable housing and evaluate other City-owned parcels for affordable and mixed-income housing.	H	H	Yes	\$\$\$					X		Housing Section, Real Estate

<b>Scope – Time Commitment &amp; Public Engagement</b>  L - Low M - Medium H - High time		<b>Funding Indicator</b>  ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +	Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
<i>Connect people to equitable housing solutions.</i>											
<b>Connect 1: Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.</b>											
<b>Connect 1.1</b>	Explore the feasibility of a one-stop shop for a pre-qualification letter or document that avoids application fees for rentals.		M	H	No	ST			X		Housing Section
<b>Connect 1.2</b>	Create housing navigator or advocate positions to assist both landlords and housing-challenged populations in securing and maintaining housing.		M	L	Yes	\$\$	X				Flagstaff Police Department, Housing Section
<b>Connect 1.3</b>	Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health, and housing.		M	H	Yes	\$				X	Housing Section
<b>Connect 2: Implement a framework for centering equity in proposed and existing housing practices, policies, and programs.</b>											
<b>Connect 2.1</b>	Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.		M	M	Yes	ST				X	Housing Section
<b>Connect 2.2</b>	Encourage community organizations such as the local Continuum of Care to continue to integrate equity into programs and policies.		M	H	No	ST				X	Housing Section
<b>Connect 2.3</b>	Explore reviewing member composition of the Housing Commission and Housing Authority Board to ensure racial and economic diversity reflective of the Flagstaff community and present to Council for input.		M	M	Yes	ST		X			Housing Section
<b>Connect 2.4</b>	Utilize City of Flagstaff resources to educate the community about financing and housing opportunities with an emphasis on assisting low- to moderate-income households to advance through the housing continuum and to address past racial disparities.		M	M	No	\$				X	Housing Section



Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time	ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +											
Connect 3: Integrate healthcare into housing programs, and housing into healthcare programs, as appropriate.												
Connect 3.1	Raise awareness of housing security as a social determinate of health.	M	M	No	ST					X	Housing Section	
Connect 3.2	Encourage neighborhoods, housing types, and building practices that increase health.	M	M	No	ST					X	Planning, Housing Section	
Connect 3.3	Work in partnership with the community to develop and promote community health measurement data collection into housing services when viable.	H	M	No	ST					X	Flagstaff Police Department, Housing Section	
Preserve affordable housing.												
Preserve 1: Encourage the adaptive reuse of buildings.												
Preserve 1.1	Explore the use of Low-Income Housing Tax Credit in conjunction with Historic Preservation Tax Credit for the acquisition and rehabilitation of affordable housing where appropriate.	M	L	No	ST					X	Economic Vitality, Housing Section	
Preserve 1.2	Review the Land Use Goals and Policies in the Regional Plan, Specific Plans, and City code to remove barriers to adaptive reuse for the creation of affordable housing.	H	M	Yes	ST				X		Economic Vitality, Housing Section	
Preserve 1.3	The City's Housing Section and the Sustainability Section will partner to seek and administer grants for housing programs and developments that invest in environmentally friendly retrofits and upgrades.	M	L	Yes	\$					X	Sustainability, Management Services, Water Services, Housing Section	

<b>Scope – Time Commitment &amp; Public Engagement</b>  L - Low M - Medium H - High time		<b>Funding Indicator</b>  ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +	<b>Time Commitment</b>	<b>Public Engagement</b>	<b>Requires Council Consideration</b>	<b>Funding Required</b>	<b>Immediate Term (18 Months)</b>	<b>Short-Term (1 - 4 Years)</b>	<b>Long-Term (5-10 Years)</b>	<b>Ongoing</b>	<b>Division/Section Involvement</b>
<b>Preserve 2: Expand efforts to preserve existing housing stock.</b>											
<b>Preserve 2.1</b>	Continue homeownership rehabilitation programs and create an affordable rental rehabilitation program with a focus on establishing safe, decent, and sustainable housing.		M	M	Yes	\$				X	Housing Section, Water Services
<b>Preserve 2.2</b>	Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.		H	L	Yes	\$\$\$			X		Real Estate Section, Management Services, Housing Section
<i>Protect people from housing discrimination and remove housing barriers.</i>											
<b>Protect 1: City Council will continue to lobby and support federal and state legislation to encourage changes to federal and state laws, and to increase the amount of funding available for the preservation and construction of affordable housing.</b>											
<b>Protect 1.1</b>	Advocate to the State of Arizona to allow greater local control of vacation rentals and second homes.		M	L	Yes	ST				X	Economic Vitality, Management Services, Housing Section
<b>Protect 1.2</b>	Pursue local and legislative changes that increase the preservation, creation, and protection of affordable housing as necessary.		M	L	Yes	ST				X	Housing Section
<b>Protect 1.3</b>	Explore expanding state and local fair housing protected classes to include items such as age and source of income.		M	L	Yes	ST				X	Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time		ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +										
Protect 2: Ensure affordable housing is a part of every Flagstaff neighborhood and work to address disparate impact as part of any development or redevelopment.												
Protect 2.1	Create and maintain an Affordable Housing Impact Statement.	H	M	No	ST			X				Housing Section, Planning
Protect 2.2	Encourage diversity of housing options in all neighborhoods, understanding that exclusive communities are incompatible with the City of Flagstaff's mission to protect and enhance the quality of life for all.	M	L	No	ST						X	Housing Section
Protect 2.3	Evaluate, better understand, and if necessary, develop strategies to address the disparate impacts of programs like Crime Free Multi-Housing and other relevant programs and policies.	M	H	Yes	ST	X						Flagstaff Police Department, Housing Section
Protect 2.4	Implement a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community, create a groundswell of support for affordable housing, and combat community opposition to housing and affordable housing.	M	H	No	\$	X						Sustainability, Flagstaff Police Department, Housing Section
Protect 3: Continue Flagstaff's commitments to further federal and Arizona Fair Housing laws in all housing-related services and programs, value the efforts of those who seek to reduce barriers to equitable housing opportunities, and provide Fair Housing education and resources to the community.												
Protect 3.1	Work with community partners to ease reentry, assess the need for alternative housing models and processes, and create necessary programs that address the systemic and structural barriers to justice-impacted citizens.	M	H	No	ST						X	Flagstaff Police Department, Housing Section
Protect 3.2	Examine and update, if needed, the City of Flagstaff's Housing Limited English Proficiency (LEP) Plan.	M	L	No	ST			X				Management Services, Housing Section

Scope – Time Commitment & Public Engagement		Funding Indicator		Time Commitment	Public Engagement	Requires Council Consideration	Funding Required	Immediate Term (18 Months)	Short-Term (1 - 4 Years)	Long-Term (5-10 Years)	Ongoing	Division/Section Involvement
L - Low M - Medium H - High time	ST - Staff Time \$ - Low = \$10,000 + \$\$ - Medium = \$100,000 + \$\$\$ - High = \$1,000,000 +											
Protect 3: Continue Flagstaff's commitments to further federal and Arizona Fair Housing laws in all housing-related services and programs, value the efforts of those who seek to reduce barriers to equitable housing opportunities, and provide Fair Housing education and resources to the community. (continued)												
Protect 3.3	Research ways to provide incentives to landlords who rent to those with any housing voucher or housing barriers, such as poor credit, criminal history, etc.	M	M	Yes	ST			X				Management Services, Housing Section
Protect 3.4	Support local social service networks in establishing a home share program inclusive of features like peer support and conflict resolution.	L	H	No	ST					X		Housing Section

## KEY TERMS

**Adaptive Re-use:** Fixing up and remodeling a building or space and adapting the building or space to fit a new use. Source: Flagstaff Regional Plan 2030

**Affordable Housing:** Housing for which the occupant is paying no more than 30 percent of their gross income for housing costs, including utilities. Source: HUD

**Area Median Income:** The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for federal assisted housing programs. HUD also develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. Source: HUD, Office of Policy Development and Research

**Commercial:** Term collectively defining workplace, office, retail, and lodging functions for the purpose of describing general land use. Source: Flagstaff Zoning Code

**Concept Plan:** A plan or map that depicts (illustrates, but does not regulate), for example, the streets, lots, buildings, and general landscaping of a proposed development. Source: Flagstaff Regional Plan 2030

**Continuum of Care:** A community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness. HUD identifies four necessary parts of a continuum:

- Outreach, intake, and assessment in order to identify service and housing needs and provide a link to the appropriate level of both;
- Emergency shelter to provide an immediate and safe alternative to sleeping on the streets, especially for homeless families with children;
- Transitional housing with supportive services to allow for the development of skills that will be needed once permanently housed; and
- Permanent and permanent supportive housing to provide individuals and families with an affordable place to live with services if needed.

**Density:** The number of dwelling units within a standard measure of land area, usually given as units per acre. Source: Flagstaff Zoning Code

**Equity:** Proportional representation (by race, class, gender, etc.) of opportunities in housing, healthcare, employment, and all indicators of living a healthy life. Equity is about fairness; it ensures that each person gets what the person/population needs. To achieve equity, policies and procedures may result in an unequal distribution of resources but will lead to equitable outcomes for everyone. Source: [HUD Exchange](#)

**Experiencing Homelessness:** An individual or family that lacks a fixed, regular, and adequate nighttime residence, such as those living in emergency shelter, transitional housing. Persons living in places not meant for human habitation are experiencing homelessness. Source: Phoenix Community Alliance

### Key Terms, continued

**Gentrification:** A shift in an urban community towards wealthier residents and/or businesses and increasing property values, often at the expense of the poorer residents of the community. This is a result of the process of renewal and rebuilding. Source: Flagstaff Regional Plan 2030

**High Density:** A development with greater than 14 dwelling units per acre. Source: Flagstaff Regional Plan 2030

**High Occupancy Housing (HOH):** A term developed to describe a particular style of housing in a specific plan. This term has been revised and may be revisited in the Flagstaff Zoning Code. The Flagstaff Zoning Code should be referenced for the most up to date definition.

**Homeless Management Information System (HMIS):** A local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. Source: [HUD Exchange](#)

**Historic Building (Property):** A building with sufficient age, a relatively high degree of physical integrity, and historical significance that may be eligible for listing on the National Register of Historic Places. Historic buildings may occur within or outside of a historic district and may be protected regardless of their relationship to a historic district. Source: Southside Community Plan

**Housing First:** A homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues. Additionally, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life. Source: National Alliance to End Homelessness

**Inclusionary Zoning:** Local inclusionary housing policies tie the creation of affordable homes for low- and moderate-income households to the construction of market-rate housing or commercial development. Source: Grounded Solutions, [Inclusionary Housing](#)

**Industrial, Heavy:** Construction, manufacturing, transportation, and public utilities, and those uses which have severe potential for negative impact on any uses located relatively close to them. Source: Flagstaff Zoning Code

**Infill:** Occurs when new buildings are built on vacant parcels within city service boundaries and surrounded by existing development. Source: Flagstaff Regional Plan 2030

**Intensity:** The mass, bulk, and scale of buildings in commercial, industrial, institutional, and mixed-use settings. Typically, intensity is measured by the Floor Area Ratio. Source: Southside Community Plan

### Key Terms, continued

**Justice Impacted Citizens:** Includes those who have been incarcerated or detained in a prison, immigration detention center, local jail, juvenile detention center, or any other carceral setting, those who have been convicted but not incarcerated, those who have been charged but not convicted, and those who have been arrested. Source: Law School Admission Council

**Medium Density:** A development with 7 to 14 dwelling units per acre. Source: Southside Community Plan

**Mixed Use:** The development of a single building containing more than one type of land use or a single development of more than one building and use, including, but not limited to, residential, office, retail, recreation, public, or entertainment, where the different land use types are in close proximity, planned as a unified complementary whole, and shared pedestrian and vehicular access and parking areas are functionally integrated. Source: Flagstaff Zoning Code

**Missing middle housing:** A range of multi-family or clustered housing types that are compatible in scale with single-family or transitional neighborhoods. Missing middle building types include duplexes, triplexes, fourplexes, townhomes, live/work, cohousing, accessory dwelling units, and courtyard buildings. These building types are called “missing” because although historically they have played an instrumental role in providing housing choices and affordable options in many cities across the country, they have typically been difficult to build under city land-use laws since the mid-1940s. The term “middle” refers to building types that sit in the middle of the density and affordability spectrum. Source: Parolek, Daniel (2020). Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis. Washington DC: Island Press.

**Multi-Family Housing:** A residential building comprised of four or more dwelling units. Source: Flagstaff Zoning Code

**Neighborhood (place type):** Includes both geographic (place-oriented) and social (people-oriented) components and may be an area with similar housing types and market values, or an area surrounding a local institution patronized by residents, such as a church, school, or social agency. Source: Flagstaff Southside Community Plan

**Policy:** An aspirational statement within the Regional Plan or other City document adopted by resolution, which guides City staff in implementing plans and programs. Source: Flagstaff Regional Plan 2030

**Preservation:** An endeavor that seeks to preserve, conserve, and protect buildings, objects, landscapes, or other artifacts of historical significance. Source: Flagstaff Regional Plan 2030

**Racial Equity:** The condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, one's housing, economic, and health outcomes. Racial equity includes addressing root causes of inequities, not just their outcomes. This includes elimination of policies, practices, attitudes, and cultural messages that reinforce differential outcomes by race or otherwise fail to address them. Racial equity is also a process. This means that Black people, Indigenous people, and people of color—those most impacted—are part of the decision-making about funding, policies, and programs. Sources: [Center for Assessment and Policy Development](#) and [Center for Social Inclusion](#)



**Key Terms, continued**

**Redevelopment:** Is when new development replaces outdated and underutilized development. Source: Flagstaff Regional Plan 2030

**Residential:** A land use type that is designated to accommodate single-family and multiple-family dwellings. Includes mobile and manufactured homes. Source: Flagstaff Zoning Code

**Rezoning:** A change to a property's land use, or zoning, designation that requires an update to the Zoning Map. Source: Southside Community Plan

**Second home:** A property that is not used as a primary residence.

**Subsidy:** To supplement or offset monthly housing costs for individuals or families to remain in housing. Forms of subsidies include direct housing subsidies, public housing, rent supplement, and some types of cooperative housing. Source: Phoenix Community Alliance

**Target Neighborhood:** A qualified census tract where 51% or more of the households have an income which is 80% or less of Flagstaff's Area Median Income. Source: HUD Exchange

**Urban Growth Boundary:** The line on a map that is used to mark the separation of urbanizable land from rural land and within which urban growth should be encouraged and contained and outside of which urban development should not occur. Source: Flagstaff Regional Plan 2030

**Zoning:** The control of the use of land, and of the appearance and use of buildings, by the City of Flagstaff. Source: Southside Community Plan

**Zoning Code:** A set of legally binding provisions adopted by the City Council consistent with state law regulating the use of land or structures, or both, used to implement the goals and policies of the Regional Plan. Source: Flagstaff Regional Plan 2030

# THANK YOU

## City Council

Mayor Paul Deasy  
Vice Mayor Becky Daggett  
Councilmember Austin Aslan  
Councilmember Jim McCarthy

Councilmember Miranda Sweet  
Councilmember Regina Salas  
Councilmember Adam Shimoni

## Housing Commission

Vice Mayor Becky Daggett  
Eric Davis  
Tyler Denham  
Nicole Ellman, Chair  
Karen Flores

Sandi Flores  
Khara House, Vice Chair  
Chris Kemmerly  
Devonna McLaughlin  
Moses Milazzo

Erin O'Loughlin  
Adrah Parafiniuk  
Tad Riggs  
Ross Schaefer Altenbaugh  
Jo Wheaton

## Project Management Team

Sarah Darr, Housing Director  
Justyna Costa, Assistant Housing Director  
Leah Bloom, Housing Project Manager

## Informal Working Group Members

### Affordable Housing Gap Analysis

Cora Maxx Phillips, Indigenous Commission  
Derek Sonderegger, Ph.D.  
Gail Jackson, Economic Collaborative of Northern Arizona  
Julie Pastrick, Greater Flagstaff Chamber of Commerce  
Tadd Moore, Realtor  
Josh Maher, Northern Arizona University

### Housing and Health

Amanda Guay, North Country HealthCare  
Cory Runge, The NARBHA Institute  
Denise Cox, Health Choice  
Diana Cudeii, Indigenous Commission  
Eric Marcus, Health Choice  
Lauren Lauder, The Guidance Center  
Michele Axlund, Coconino County  
Tallerita Rogers, Native Americans for Community Action

### Housing and Sustainability

Michele James, Friends of Flagstaff's Future

### Neighborhood and Equity

Laura Meyers, La Plaza Vieja  
Deborah Harris, A League of Neighborhoods  
Coral Evans, Northern Arizona Director for Senator Mark Kelly's Office  
Juliette Roddy, Northern Arizona University  
Roxana Cardiel De Niz, Northern Arizona Interfaith Council  
Claire Hardi, MPA  
Kristine Conklin, Lender

### Zoning and Land Use

David Carpenter, Hope Construction  
Guillermo Cortes, Shepard Wesnitzer, Inc.  
Rick Lopez, Realtor  
Shawna Whitehat, Indigenous Commission  
Whitney Weller, Brinshore Development, LLC

City of Flagstaff Staff

- Andy Bertelsen, Water Services Director  
Adriana Fisher, Housing Specialist  
Alaxandra Pucciarelli, Current Planning Manager  
Amy Hagen, Building Official  
Andres Aguilera, Regional Planning Intern  
Bryce Doty, Real Estate Manager  
Caleb Alexander, Assistant Housing Director  
Christina Rubalcava, Senior Assistant City Attorney  
Dan Folke, Community Development Director  
Dan Musselman, Police Chief  
Daniel Symer, Zoning Code Manager  
David McIntire, Community Investment Director  
Deborah Beals, Finance Manager  
Dione Paul, Administrative Specialist  
Erin Young, Water Resource Manager  
Gary Miller, Development Engineer  
Jack Fitchett, Business Attraction Manager  
Jeff Bauman, Traffic Engineer  
Jennifer Mickelson, Housing Analyst  
Jenny Niemann, Climate Program Manager
- Jerry Bills, Deputy Fire Chief  
Jessica Huleatt, Customer Service Manager  
John Saltonstall, Business Retention and Expansion Manager  
Jordan Hollinger, Associate Planner  
Kelsea Hundtoft, GIS Analyst  
Kristine Pavlik, Housing and Grants Administrator  
Mark Reavis, Neighborhood Planner/Heritage Preservation Office  
Nicole Antonopoulos, Sustainability Director  
Ralph Schmid, Creative Services Manager  
Rick Barrett, City Engineer  
Rose Toehe, Coordinator for Indigenous Initiatives  
Sara Dechter, Comprehensive & Neighborhood Planning Manager  
Sarah Langley, Management Analyst  
Susan Sletten, Finance Specialist  
Tiffany Antol, Planning Development Manager

Organizations

- A League of Neighborhoods  
Arizona Housing Coalition  
Arizona Multihousing Association  
Catholic Charities  
Coconino Community College  
Coconino County  
Coconino County Continuum of Care  
DNA People's Legal Services  
Economic Collaborative of Northern Arizona  
Flagstaff Housing Authority  
Flagstaff Public Libraries  
Flagstaff Shelter Services  
Friends of Flagstaff's Future  
Greater Flagstaff Chamber of Commerce  
Housing Solutions of Northern Arizona  
League of Neighborhoods  
La Plaza Vieja Neighborhood Association  
Northern Arizona Association of Realtors
- Northern Arizona University  
Northland Family Help Center  
Sunnyside Neighborhood Association  
Sunshine Rescue Mission  
Southside Community Association  
The Guidance Center